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1999
Montana
consolidated plan,
annual action plan
for plan year
beginning April 1,
1999

Woodland Court - Kalispell

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MONTANA CONSOLIDATED PLAN ANNUAL ACTION PLAN

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For Plan Year Beginning April 1, 1999

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INTRODUCTION

This document is the last in a series of Consolidated Plan (CP) Action Plans designed to provide interim planning over a five year span. Each year Montana must submit an Action Plan to illustrate how community planning and development resources will be utilized to improve communities throughout the State. Improvements are achieved through the provision of safe and decent housing, suitable living environments, and economic development opportunities, especially for low-and moderate-income persons and the homeless. The Action Plan for the period beginning April 1, 1999 was developed with the input of citizens and community groups and serves four major functions:

- It is a yearly planning document for the three formula grant programs (described below) in Montana, built upon public participation and input.
- It is the State's application for funds available through the three Department of Housing and Urban Development (HUD) formula grant programs that are administered by the State of Montana: the Community Development Block Grant (CDBG), the Home Investment Partnerships (HOME), and the Emergency Shelter Grant (ESG) programs.
- It lays out the funding resources expected, the method of fund distribution and the actions the State will follow in administering HUD programs.
- It provides accountability to citizens for the use of the funds and allows HUD to measure program performance.

Montana chose to support the 1999 Action Plan with two additional documents: *The Economic Benefits of MDOC Programs* and an updated *Economic and Demographic Analysis*. These documents and other studies, evaluations, and previous Consolidated Plan reports, help individuals, communities, and organizations meet the three basic goals of the CDBG, HOME, and ESG programs and provide useful information for use by the public and legislature. These goals are: to secure decent housing, provide a suitable living environment, and expand economic opportunities.

The CP Action Plan for the period beginning April 1, 1999, provides details to citizens, public agencies, and other interested parties on the amount of assistance Montana expects to receive, the range of activities that may be undertaken, and the general program activities that may be planned in addressing the priority needs.

DEVELOPMENT PROCESS FOR UPDATING THE CONSOLIDATED PLAN

Updating the Consolidated Plan for housing and community development is an on-going process. Throughout this process, the State has tried to improve the delivery of assistance to the people of Montana. The State supports policies and programs that support affordable housing, facilities and services for the homeless, and other non-housing community development activities, such as infrastructure enhancement and economic development. The update process consists of several distinct steps, including:

1. Interagency cooperation and coordination;

2. Consultation and outreach with concerned citizens and organizations;
3. Advisory and policy formation functions;
4. Public awareness of the citizen involvement process; and,
5. Delivery of program services.

Interagency Cooperation and Coordination

Members of the Consolidated Planning Review Committee, with representatives from the HOME, CDBG, ESG, and MBOH programs, met repeatedly over the plan development process to review the status of the action plan development. In addition, other agencies, such as the Montana Department of Environmental Quality, the Montana Board of Realty Regulation, Montana Department of Labor and the Montana Human Rights Commission, were solicited for input on specific topics contained in the Action Plan and supporting studies.

Housing Division personnel from the Department of Commerce are involved in welfare reform meetings to provide education concerning housing programs, discuss how welfare reform impacts housing, and how housing programs can help meet self-sufficiency objectives.

The Housing Working Group, formed by the Department of Commerce two years ago, will continue to review areas where regulations are adding to the cost of housing. Other areas to address include the legislative process, comprehensive planning and zoning, subdivision standards, disincentives to building within city limits and financing for infrastructure costs. In addition, the Group, in conjunction with the Department of Environmental Quality, is developing an Affordable/Energy Efficient House Plan Book, with entries submitted by Montana architects.

The Housing Coordinating Team, also chartered by the Department of Commerce, will continue to facilitate statewide coordination in the delivery of housing services to individual housing providers and local organizations. Areas to research in the coming program year include: Impact Fees vs Affordable Housing; financial benefit of capital facilities; and minor adjustments to the common application for housing projects.

The Housing Coordinating Team formed an ad hoc Uniform Application Sub-Committee (Uni-App Team) consisting of staff from the MDOC HOME and CDBG programs, the Montana Board of Housing Multi-and Single Family programs, the Montana Board of Investments, and staff from USDA Rural Development Housing Services. The primary objective for the group was to simplify the application process for applicants and users of the programs. The Uniform Application, used for the first time in 1998, continues to be a "work in progress". Minor adjustments will continue for this program year.

Consultation and Outreach with Citizens and Organizations

As part of the plan update, many outside agencies and individuals were contacted. Organizations and individuals were encouraged to provide statistics, data, and other information to aid in preparing the Action Plan and related studies.

A steering committee is being established to provide direction and review of a *Fair Housing*

Advertising Guide. Several public and private organizations were contacted to participate. The *Guide* will be used to educate and provide general guidance to newspapers, publishers, Realtors®, landlords, and private citizens who are regularly involved in the business of real estate advertising.

In 1982, a group of professionals from state, federal, and non-profit organizations which finance, regulate, or provide technical assistance for community water and wastewater systems decided to gather on a regular basis to coordinate and enhance their individual efforts. Recently, the focus of W_2ASACT has broadened to include Solid Waste Facilities. This informal group came to be called the "Water, Wastewater and Solid Waste Agencies Coordination Team", or W_2ASACT for short. Active members include:

Federal Agencies and Programs:
Economic Development Administration (EDA)
Environmental Protection Agency (EPA)
Rural Development Administration, U. S. Department of Agriculture

State Agencies and Programs:
Community Development Block Grant Program (Department of Commerce)
Community Technical Assistance Program (Department of Commerce)
Drinking Water Revolving Fund (Department of Environmental Quality)
INTERCAP Program (Board of Investments)
Municipal Wastewater Assistance Program (Department of Environmental Quality)
Renewable Resources Grant and Loan Program (Depart. of Natural Resources and Conservation)
Solid Waste (Department of Environmental Quality)
State Wastewater Revolving Fund (SRF) (Department of Environmental Quality)
Treasure State Endowment Program (Department of Commerce)

Private Associations or Non-Profit Organizations:
Midwest Assistance Program
Montana Association of Counties
Montana Association of County Water and Sewer Systems
Montana League of Cities and Towns
Montana Rural Water Systems, Inc.

W_2ASACT currently meets bimonthly to explore and coordinate a wide range of activities linked to improving the environmental infrastructure of local governments and unincorporated communities across Montana. W_2ASACT regularly sponsors and coordinates annual seminars statewide to explain the various financial programs and resources available to assist local governments in funding their infrastructure needs. Civil engineers, agency representatives, and technical assistance providers are invited to present information to provide comprehensive information regarding environmental infrastructure projects.

In 1997, W_2ASACT completed the Uniform Application Supplement for Montana Public Facility Projects. This streamlined, common application form can be used interchangeably for six state and federal public facility funding programs. Since the completion of this application format in

print copy and computer micro diskette form, W_2ASACT has also made it available on the Internet to make the application process for local governments as accessible and "user friendly" as possible.

Currently, several W_2ASACT subcommittees are working on issues that will continue to streamline the application and project implementation process. Among these issues are:

community planning and environmental regulation - to assist small communities to consolidate multiple, separate environmental mandates into one, coordinated capital facilities planning process;

common environmental assessment form - to develop a common environmental review process acceptable to all funding agencies;

common bid/specifications and engineering contracts - to determine the feasibility of developing a standard funding agency supplement to the Montana Public Works Standard Specifications;

tracking public funding - to develop a uniform method of tracking project expenditures on infrastructure projects using multiple federal, state, local, and private funding sources;

application workshops - to organize and coordinate outreach efforts for local government infrastructure assistance programs.

W_2ASACT committee members are also active in issues that affect all public facility funding agencies; i.e., Census 2000, Montana State Legislature, and regional projects such as the proposed Rocky Boy North Central Regional Water System and the Fort Peck Regional Water System. Through a combined effort, W_2ASACT continues to work towards effectively serving Montana's public facility needs and assisting local governments in successfully funding and managing their infrastructure projects.

Advisory and Policy Formation Functions

Throughout the year, MDOC has interacted with other agencies and organizations with a commitment to better develop housing strategies. MDOC has maintained its commitment to inform others of their responsibility to participate in the Consolidated Plan process and to promote affordable housing in local communities. In recent years, MDOC received broad-based support for a "team" approach to address affordable housing needs and formed the CP Steering Committee, a Housing Coordinating Team, and a Housing Working Group. These committees and groups continue to provide direction and input to the Consolidated Plan.

The Housing and Local Government Assistance Divisions of the Department of Commerce are in the process of setting goals and time lines for improving coordination in the area of joint applications, workshops, and reporting formats.

MDOC continues to advise non-profit groups about forming certified Community Housing Development Organizations (CHDOs). Only local units of government (cities, towns, and counties) and CHDOs are eligible to apply for HOME grant funds under the HUD-approved program description. A MDOC-certified CHDO can apply for set-aside funds under the HOME program. Twenty-five nonprofit organizations are currently certified as CHDOs in Montana.

LOCATIONS OF CONSOLIDATED PLAN COMMUNITY MEETINGS

To gather additional public input for the planning process, three public comment meetings are scheduled in December 1998. One of the meetings will be a METNET Video Conference with eight interactive sites. These meetings will be held at the following locations and times.

METNET Video Conference December 2 1:00 - 3:00 pm

Helena	111 Sanders St., Lower Level Auditorium - Dept. Of Public Health & Human Services
Bozeman	South 7th & Grant, EPS Building, Burns Center Room 126 - Montana State University
Butte	1300 West Park Street, ELCB, Room 231 - Montana Tech
Dillon	710 South Atlantic, Library, Room LCL 23(basement) - Western Montana College of UOM
Havre	300 11th St. West, Hagener Science Cntr, Room 202 - Montana State University - Northern
Kalispell	777 Grandview Dr., Learning Resource Cntr, Room 120 - Flathead Valley Community College
Miles City	2715 Dickenson Street, Room 106 - Miles Community College
Missoula	Corner of Arthur and Eddy, Gallagher Building, Room 104 - University of Montana

On-site Public Comment Meetings

Shelby	December 3	7:00 - 9:00 pm	Marias River Electric Co-operative, Inc., 910 Roosevelt Way
Billings	December 8	7:00 - 9:00 pm	Public Library - 510 North Broadway

Delivery of Program Services

The HOME program, through a process of application ranking, will commit project funds during the fall and winter months to provide better alignment with the construction season. HOME application workshops will be held in several cities throughout the state during April and May, 1999. Advance public notification will take place. The HOME application deadline is October 4, 1999, and the Administration Workshop date is mid January, 2000.

The CDBG program, through a process of application and evaluation of proposals, will commit funds to housing, public facilities, and economic development projects. Application workshops for public facilities and housing will be held in several cities with advance notification. The public facilities application deadline is tentatively set for May 7, 1999, and the housing application deadline is tentatively set for October 15, 1999. Economic Development applications are received and awarded on an open cycle. Grant application and grant administration workshops, covering pre-award and post award administration for Economic Development projects, are tentatively scheduled for March, 1999. Coordination with public facilities and housing workshops is being considered in order to help cut travel costs.

The Emergency Shelter Grant program will continue to use HUD funds to improve the quality of existing emergency shelters for the homeless, meet the costs of operating shelters and provide essential social services to help prevent homelessness. Ninety-five percent of the funds received will be allocated to the 10 regional Human Resource Development Councils (HRDCs) in Montana. While the funds available to the ESG program are less than those allocated to Montana's HOME and CDBG programs, the regional organizations are extremely dependent on the assistance received from the yearly allocation.

Specific guidelines that relate to the individual programs for CDBG and HOME may be obtained by contacting the Department of Commerce. The Department of Public Health and Human Services may be contacted to obtain guidelines for the ESG program.

QUANTITATIVE ANALYSIS IN SUPPORT OF THE PLAN

Development of the Action Plan for plan year beginning April 1, 1999, is based in part, on current and past research, studies, and analysis of housing and infrastructure needs. Two additional analyses were conducted during the current planning cycle.

The first analysis is the *Economic and Demographic Analysis of Montana*. This report analyzes the economy and evaluates demographic data using current information obtained since the 1990 Census. Based on employment data from the Bureau of Economic Analysis (BEA), employment in Montana continues to rise. In addition, other indicators suggest that Montana's economy has improved and that the business infrastructure is on course to increased health. Conversely, average earnings per job are not faring well and remain far below the national average. The demographic profile, compared to past years, shows that for the first time in many years, more people left the state than entered, eroding the natural increase. The affordable housing market, whether for rental properties or home ownership, continues to be constrained even though the state is experiencing positive economic growth.

The second document, the *Economic Benefits of MDOC Programs*, has been updated since it was first prepared two years ago. Program expenditures for housing, infrastructure and economic development programs have a positive effect on the economy in Montana through the increase in the number of jobs, income, income taxes, and property taxes to state and local government over the past years. The programs continue to show a substantial benefit for the state.

The combined *Housing and Homeless Resource Directory* has been divided into separate documents. *The Housing Directory* provides a program description and reference sheet for all housing programs in the state. The *Homeless Directory* is an updated inventory of homeless facilities and services.

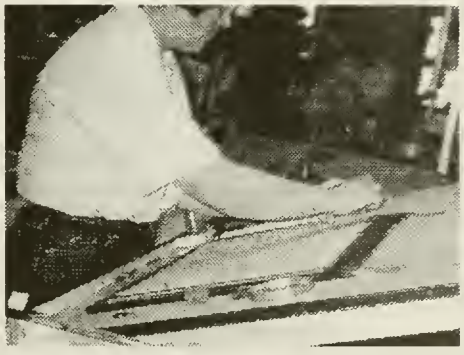
In addition to the *Economic and Demographic Analysis*, the *Economic Benefits of MDOC Programs*, the *Housing Directory* and the *Homeless Directory*, the following studies have been prepared in recent years in support of the Montana Consolidated Plan and are still available for use in a planning process.

1. *Inventory of Infrastructure Needs* (1995);
2. *The Montana Assisted Living Study, Demand for Assisted Living* (1996);
3. *Analysis of Veterans in Montana* (1996);
4. *The Analysis of Impediments to Fair Housing Choice* (1996);
5. *Inventory of Water and Wastewater Needs for Unincorporated and Non-District Areas in the State of Montana* (1996);
6. *Home Mortgage Disclosure Act Analysis* (HMDA); and,
7. *Economic and Demographic Databook.*

These studies are available from the Montana Department of Commerce, Housing Division, 836 Front Street, Helena, MT 59620.

Bridge Apartments - Missoula

Habitat for Humanity - Butte



Hi-Heat Industries, Inc. - Fergus County

RESOURCES

FEDERAL RESOURCES EXPECTED

Community Development Block Grant Program (CDBG)

The CDBG program is administered by the Local Government Assistance Division and the Economic Development Division of the Montana Department of Commerce. For Plan Year beginning April 1, 1999, the state estimates receiving $8,300,000 in federal CDBG funds for award to local governments. Of these dollars, a portion will be allocated for economic development projects, which are administered by the Economic Development Division. Another portion will be allocated for public facility projects and for housing and community revitalization projects.

The MDOC Economic Development Division also manages an EDA/CDBG Revolving Loan Fund. Once loan repayments reach $100,000, funds will be available to lend to communities. The CDBG program has applied for technical assistance funds from HUD and EDA.

Home Investment Partnerships Program (HOME)

The HOME program is administered by the Housing Division. Funds are estimated at $3,400,000.

Emergency Shelter Grant Program (ESG)

The Intergovernmental Human Services Bureau of the Montana Department of Public Health and Human Services (DPHHS) anticipates that $273,000 will be made available for the ESG program.

Low Income Housing Tax Credit Program (LIHTC)

The Low Income Housing Tax Credit Program is administered by the Montana Board of Housing. The Board receives authority to allocate the tax credit through the Internal Revenue Code, based on $1.25 per capita per year. Annual authority is estimated at $1.1 million.

STATE AND OTHER RESOURCES EXPECTED

Department of Natural Resources and Conservation (DNRC) Renewable Resources Development Program

The program provides grant and loan funds to governmental entities for renewable resource projects that preserve, conserve, manage, and develop renewable resources. The program is administered by the Resource Development Bureau of the Montana Department of Natural Resources and Conservation (DNRC). Grant funding is limited to $100,000, and loan funds are available to the limit of the borrower's bonding authority. Interest subsidies for large loans are available subject to legislative approval. The Renewable Resource Grant Program has $2.0

million available for grant funding each biennium. Loan authority is currently $90 million. Applications are due May 15, 2000. Emergency Grants of $30,000 are available on an open cycle for projects that, if delayed, will result in substantial harm to public health or the environment.

Treasure State Endowment Program (TSEP)

The Treasure State Endowment Program (TSEP) is a state funded grant and loan program designed to assist local governments in obtaining affordable financing for constructing or repairing drinking water systems, wastewater treatment facilities, sanitary or storm sewer systems, solid waste disposal and separation systems, and bridges. Approximately $12.5 million will be available for grants to local governments for the state FY 2002-03 biennium.

TSEP applications are accepted in the Spring preceding a legislative year. TSEP applications are reviewed and ranked by MDOC,based on ten statutory priorities. Grants are recommended for communities with public facilities that have serious public health and safety problems and limited financial resources. Communities that are recommended for grant funds generally have user fees that exceed the community's "target rate." Target rates are based on a percentage of a community's median household income, making target rates a unique financial measure for each of Montana's communities and allowing TSEP staff to objectively compare the relative financial need of each applicant. The Governor reviews the Department's recommendations and submits his recommendations to the Legislature. The Legislature makes the final decisions on funding awards.

The Community Technical Assistance Program (CTAP)

The Community Technical Assistance Program (CTAP) is a state program administered by MDOC to provide technical assistance to local governments and development groups on community planning, development, and finance issues and options. Services available from CTAP include individual local government planning and development assistance, public works financing assistance, and general community research assistance. CTAP also maintains a computerized public works money database to assist local governments with identifying funding options for infrastructure projects. The CTAP program also manages county land planning funds which are distributed to Montana county governments providing small grants for comprehensive planning, economic development planning, and capital improvements planning. These grant funds total approximately $198,693 annually for 56 counties.

MONTANA BOARD OF HOUSING PROGRAMS (MBOH)

The mission of MBOH is to alleviate the high cost of housing for persons and families below median income. The funds to operate the programs are generated through either the sale of tax-exempt bonds or administrative fees. Board programs fall into two categories: home ownership and multifamily programs. An additional program assists the elderly. Funds made available by the Board are dependent upon remaining available funds, and the prevailing market interest rates. If interest rates rise, the MBOH will likely issue additional bonds, as rates will be significantly below market rates. If interest rates fall, the Board likely will not conduct bond

activities unless below-market rates are achievable.

Due to lack of funding of the HUD Preservation Program, nine projects in Montana were in jeopardy of losing a total of 532 units of affordable residential housing. One project of 24 units has been preserved using MBOH, CDBG and other funds. An attempt is being made to preserve the other eight. In partnership, the Montana Legislature, Board of Housing, Board of Investments, HUD and five non-profit organizations have created a plan to retain these units. The Board of Investments will provide permanent mortgages at 5 percent guaranteed by the "moral obligation" of the state and insured by HUD. Board of Housing will allocate Low Income Housing Tax Credits and has applied for and received an Affordable Housing Preservation grant from the Federal Home Loan Bank of Seattle totaling $1.5 million. The five non-profits will own and operate the projects maintaining their affordability for perpetuity.

Private Home - Helena

Grand Union Hotel - Fort Benton

ESTIMATED FUNDING SOURCES

Entitlement Grant (includes reallocated funds)		
CDBG	$7,767,000	
ESG	$363,000	
HOME	$4,037,000	
HOPWA	$0	
Total		$12,167,000
Prior Years' Program Income NOT previously programmed or reported		
CDBG	$0	
ESG	$0	
HOME	$0	
HOPWA	$0	
Total		$0
Reprogrammed Prior Years' Funds		
CDBG	$0	
ESG	$0	
HOME	$0	
HOPWA	$0	
Total		$0
Total Estimated Program Income		$0
Section 108 Loan Guarantee Fund		$0
TOTAL FUNDING SOURCES		$12,167,000
Other Funds		$0
Submitted Proposed Projects Totals		$0
Un-Submitted Proposed Projects Totals		$0

ACTIVITIES
METHOD OF FUNDS DISTRIBUTION

Community Development Block Grant

Fund distribution for the CDBG **Housing** category is based on an annual competition held in the fall. The FFY 1999 deadline date will tentatively be October 15. Eligible applicants are limited to general purpose local governments: towns and cities under 50,000 population, and counties. The maximum grant request for a Housing project is $400,000. Existing grantees must significantly draw down their existing funds before they are eligible to apply for additional program funds.

Samaritan House - Kalispell

The **Public Facilities** category is also based on an annual competition. The deadline date for the Plan Year will tentatively be May 28, 1999. General purpose local governments: towns and cities under 50,000 population and counties are eligible applicants. Each local government may apply for one housing project and one public facility project each program year. The maximum grant request for a public facility project is $400,000. Grantees must significantly draw down their existing funds before they are eligible to apply for additional program funds.

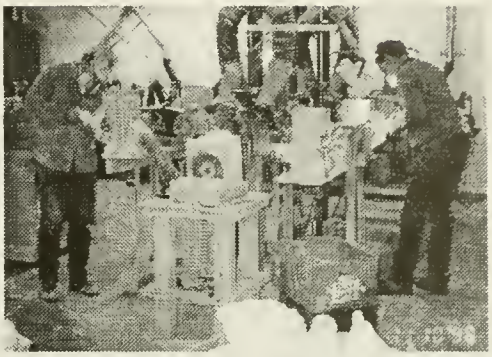
The **Economic Development** component of the CDBG Program expects to receive approximately $2.5 million, which is one-third of the annual allocation to the State of Montana. Eligible applicants are local governments, who in turn loan these funds to for-profit businesses who agree to create jobs for low and moderate income persons. Applications are accepted on a continuous basis as long as funding is available for each program year. The maximum funding amount is $400,000 per local government in a program year. Communities can reapply for funding throughout the program year until they have reached the maximum amount to a local government of $400,000. The applicant business must prepare a business plan and meet certain thresholds, including providing a 1:1 dollar match. The project application is then reviewed by Department staff and a loan review committee, which makes the recommendation to the Director, who makes the final funding decision.

It is the State's intent to enhance the quality and quantity of applicants to the CDBG ED program by setting aside approximately up to $400,000 from the CDBG regular allocation for local governments, on behalf of local nonprofit community development corporations, to do technical assistance, rural outreach, and training.

Funds will be made available under three areas of preference. Funding allocations may be shifted between these areas depending upon demand for the funds.

a. Up to $310,000 to local development corporations housing Microbusiness Development Center (MBDCs) which are funded and under contract with DOC. Maximum amount per MBDC is $5,000.

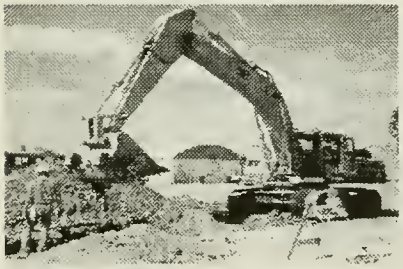
b. $50,000 to local development corporations which house Small Business Development Centers (SBDCs). Maximum grant amount is $5,000.



Big Sky Carvers - Gallatin County

c. $40,000 for consulting services to assist Montana businesses with programs such as the federal Small business Innovation Research (SBIR) program and Small Business Technology Transfer (STTR) program, or for planning for projects which are tied to developing a specific business.

Treasure State Endowment Program (TSEP)



Eligible applicants for the **TSEP** program include any incorporated city or town, county, or consolidated government, and county or multi-county water, sewer, or solid waste management districts. Matching grants are available for up to 50 percent of eligible project costs, and are limited to $500,000 maximum.

Water Line Construction - Lewistown

HOME Program

Program funds for **HOME** are distributed through a competitive process of grant applications with a deadline date of October 4, 1999. Eligible applicants include general purpose local governments (counties, incorporated cities and towns, consolidated city-county governments), and Community Housing Development Organizations (CHDOs) certified by MDOC. The maximum request for a HOME project is $400,000. CHDOs receive a minimum 15 percent set-aside of each fiscal year allocation. Existing grantees are eligible to reapply for an additional HOME grant if:

Continental Gardens - Butte

- the grantee is in compliance with the project implementation schedule contained in the HOME contract with MDOC;
- there are no unresolved audit, monitoring, or performance findings for any previous HOME grant awards to the applicant; and
- 75 percent of the previous HOME grant has been spent down by the application deadline date.

MBOH Programs

The Single Family Program is ongoing based on availability and market interest rates. The Multifamily Risk Sharing Program issued a Request for Proposal beginning July 19, 1994, and applications are accepted on a monthly basis. The Reverse Annuity Mortgage Loan Program for elderly persons is ongoing. MBOH allocates Low Income Tax Credits through its qualified allocation plan at three set deadlines per year. For profit and non-profit entities are eligible. Selection criteria include projects serving low-income tenants, projects located in distressed or hard-to-develop areas, projects meeting the area's housing needs and priorities, projects servicing tenant populations with special housing needs, and projects in areas with long waiting lists for assisted housing.

Emergency Shelter Grant Program

The 10 regional Human Resource Development Councils (HRDC) receive 95 percent of the funds allocated under this program. Funds are distributed based on a formula allocation contained in ARM 53-10-502 pertaining to the Federal Services Block Grant. This allocation reflects areas of poverty and general population.

Transitional Family Shelter

LEVERAGING AND MATCHING FUNDS

The CDBG Economic Development (ED) Program is a major player in economic development financing in Montana. Economic development projects have leveraged private lender's funds and federal funds, the U.S. Small Business Administration's SBA 7A and 504 programs, Economic Development Administration funds, and the Rural Development Administration's Programs. Economic development projects have also leveraged programs under the Montana Board of Investments, the Montana Science and Technology Alliance Program, the Montana Growth through Agriculture program, and the Job Investment Loan program. For matching funds, the Program requires one non-CDBG dollar for each dollar of nonadministrative CDBG funds requested. For the period 1993 through 1998, more than $15 million of CDBG ED funds were

awarded to 55 local governments. The CDBG ED funds leveraged approximately $63 million of private, state and federal funds..

In the public facility category of the CDBG program, local governments must provide at least a 25% match of total CDBG funds requested. No match is required for CDBG housing projects.

HOME funds used for project activities must be matched at 25 percent. Due to grantees reporting match amounts in excess of the normally required amount, MDOC reduced the grantee match portion to 5% last year. A match requirement will remain and is anticipated to be between 5-12.5% for this program year. Based on last year's activities, the HOME program expects to incur a match liability of approximately $500,000 with a leverage amount of approximately $1.5 million. Each year approximately $1 million of Board of Housing tax exempt bond funds count toward the total state match obligation. Due to the success of leveraging bond funds with HOME dollars, the State has an excess amount of match in this financing arena. Based on recent HOME applications, the ratio of HOME funds leveraged with other public and private funds is 1:3.

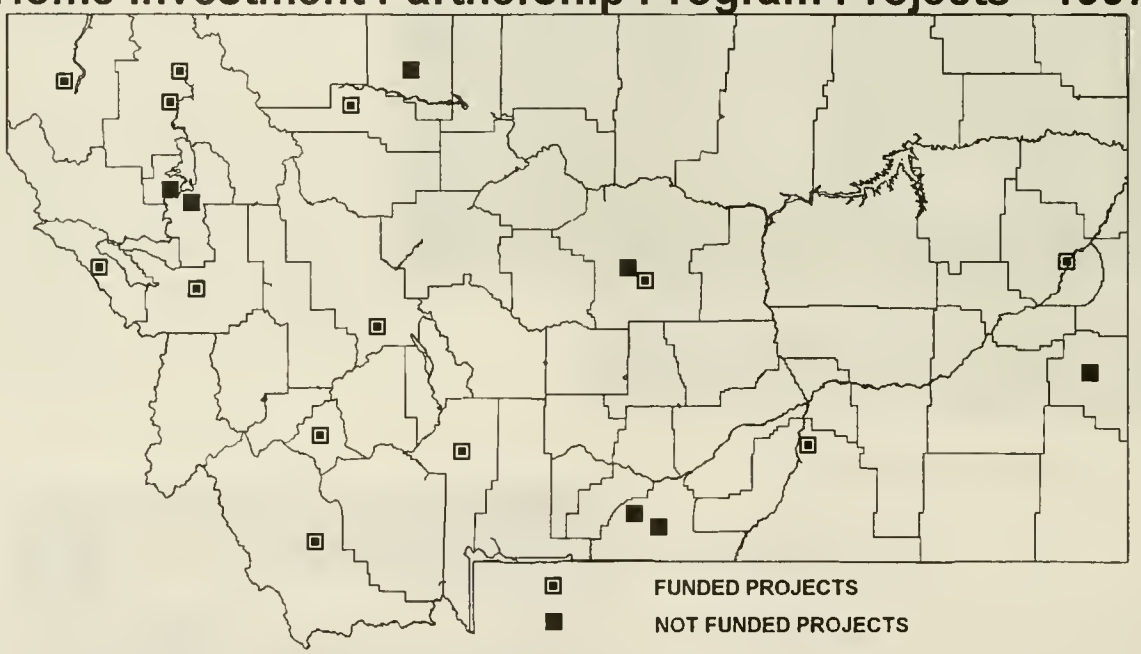
Parkside Apartments - Hamilton

Connector Technology, Inc (CTI)
Flathead County

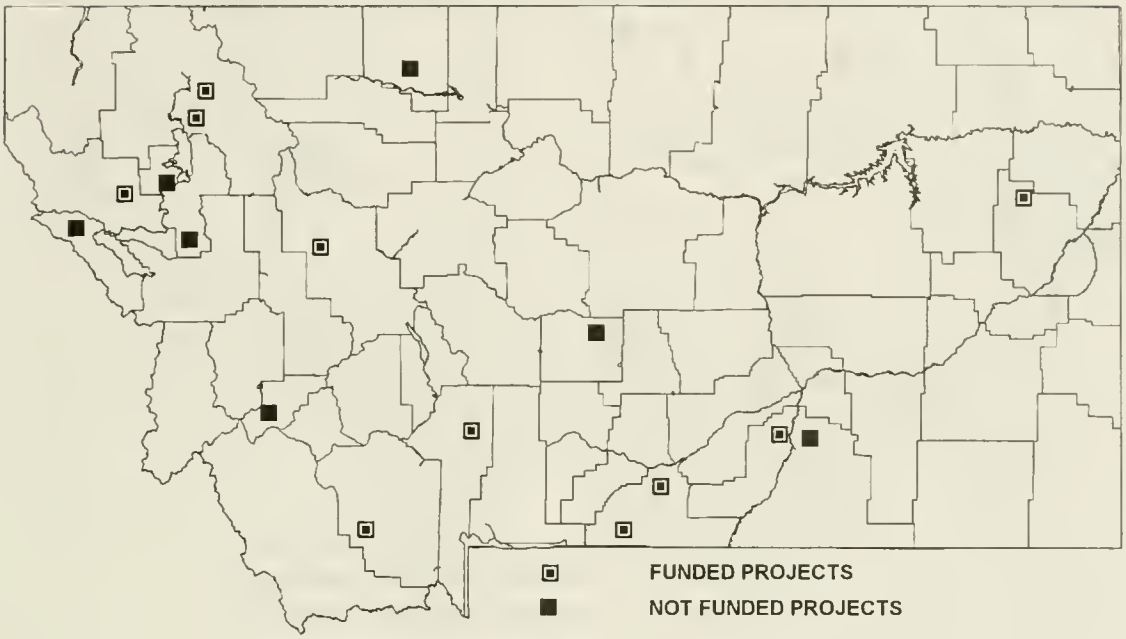
GEOGRAPHIC DISTRIBUTION OF FUNDS

Housing and community development needs across Montana vary widely. The extreme diversity in available housing, age of housing stock, and overall range in population density complicate the assessment of the type and degree of housing and community development needs. MDOC programs are implemented on a statewide competitive basis. Entities receiving CDBG and HOME funds must have previous allocations substantially drawn down before they are eligible to apply for additional program funds. This method has been shown to disburse funds equitably throughout the state, allowing all groups an equal chance to apply for funds. Together, all funding methods, whether through a formula, as in the ESG grants, or competitive, as in CDBG and HOME grants, tend to be widely distributed throughout the state. In order to better view the geographic dispersion of last years funding activities, several geographic maps have been prepared.

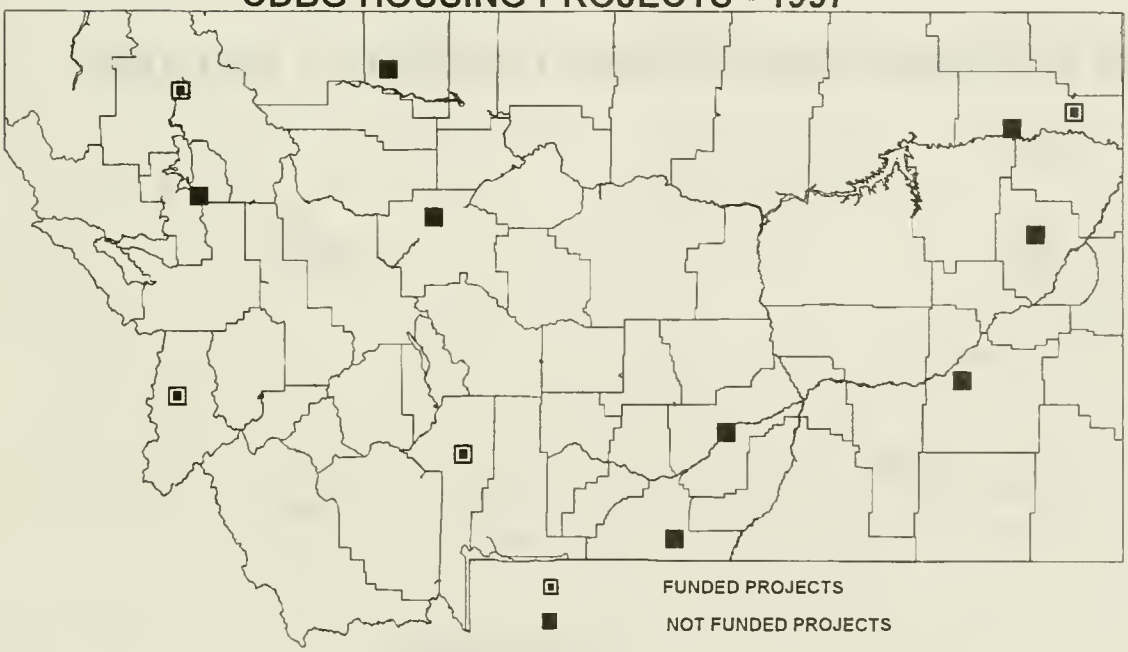
Home Investment Partnership Program Projects - 1997



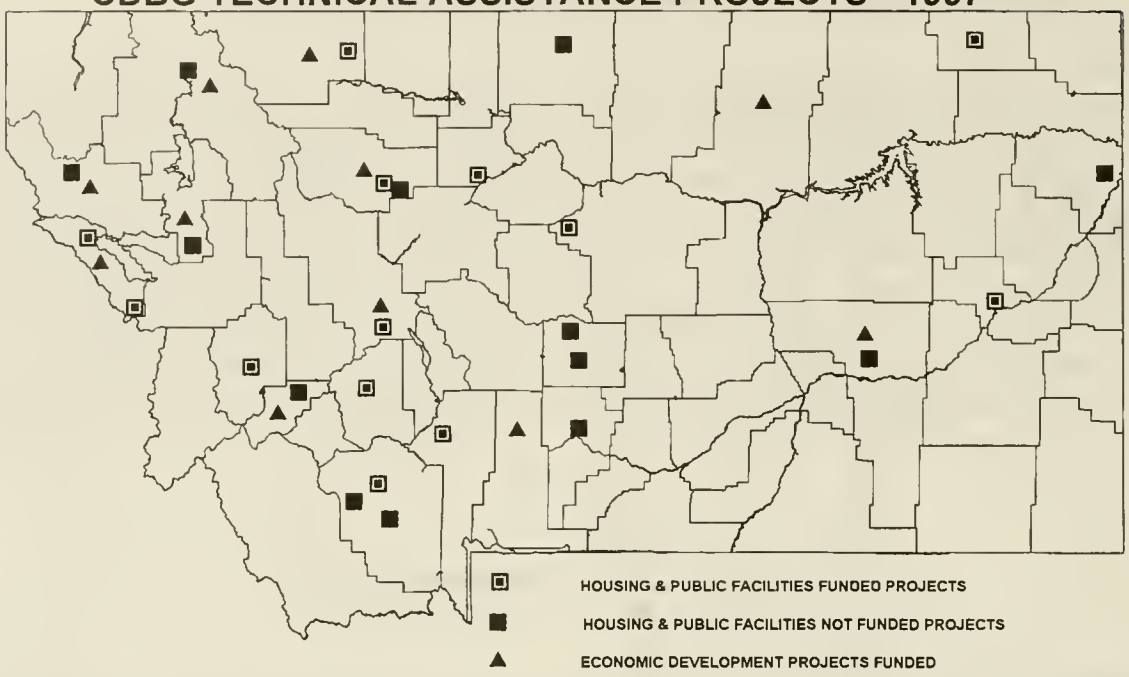
CDBG PUBLIC FACILITY PROJECTS - 1997



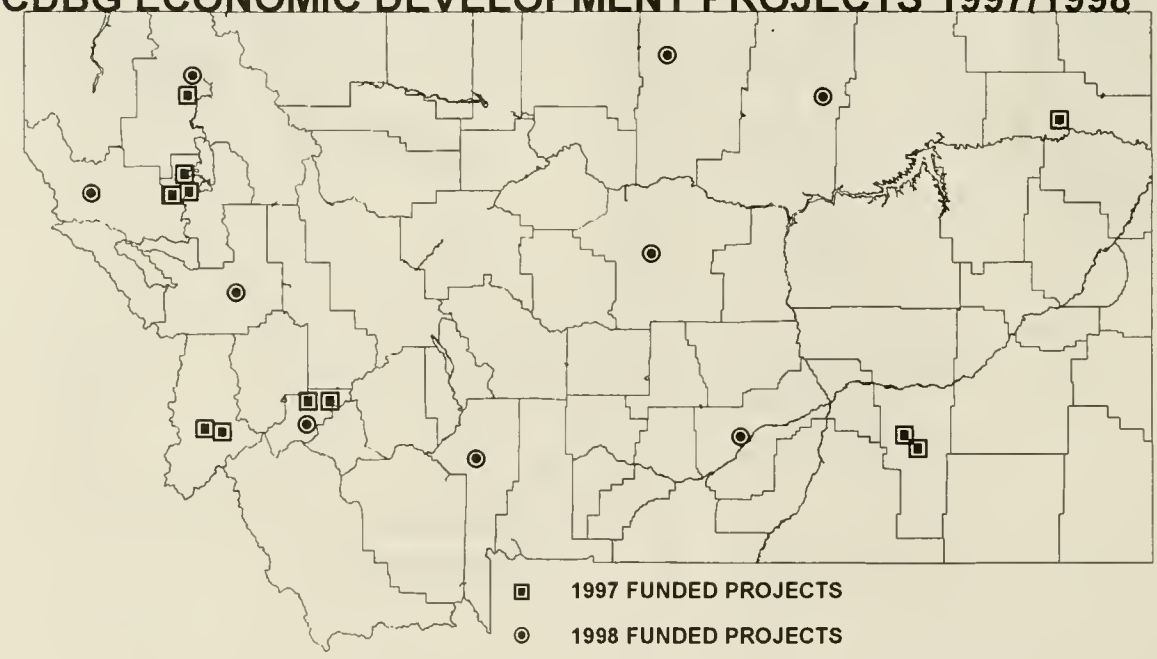
CDBG HOUSING PROJECTS - 1997



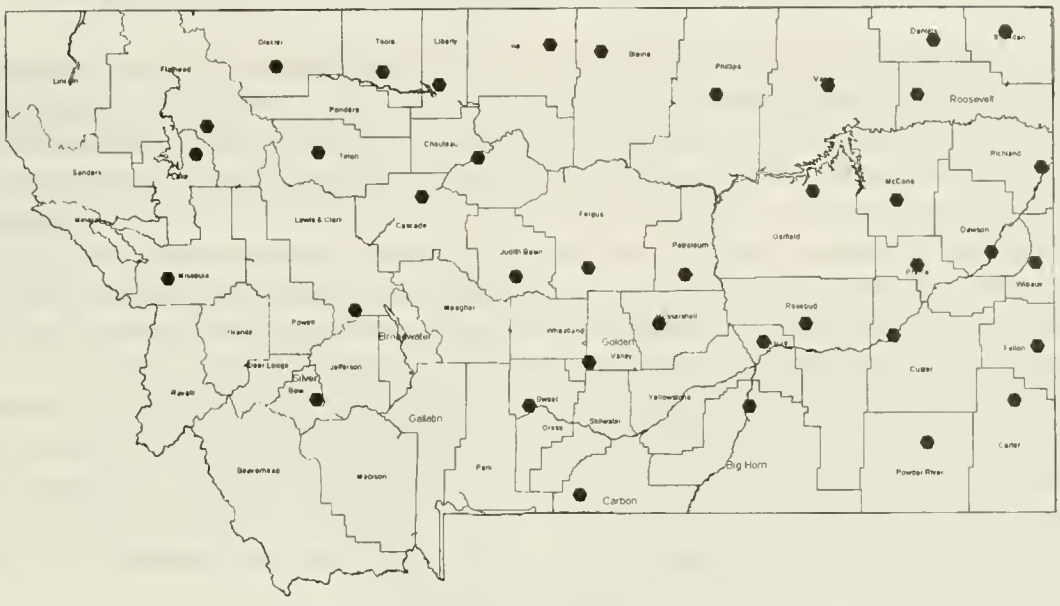
CDBG TECHNICAL ASSISTANCE PROJECTS - 1997


HOUSING & PUBLIC FACILITIES FUNDED PROJECTS
HOUSING & PUBLIC FACILITIES NOT FUNDED PROJECTS
ECONOMIC DEVELOPMENT PROJECTS FUNDED

CDBG ECONOMIC DEVELOPMENT PROJECTS 1997/1998



EMERGENCY SHELTER GRANT PROGRAM ACTIVITIES - 1997



HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES

Breaking the long-term cycle of homelessness, tempered by short-term shelter, cannot be accomplished by building more shelters or facilities alone. Real help is enabling the homeless to rely on themselves. Besides a lack of shelter, homelessness involves a variety of unmet physical, economic, and social needs. A comprehensive, coordinated system of homeless assistance, is comprised of a wide array of services, tools, and opportunities for the homeless. Homeless services will include a prevention strategy and help the homeless in stages—to take them from an emergency shelter to permanent housing. The first stage involves emergency shelters. Here the homeless are provided with immediate shelter and assessed in order to identify an individual's or family's needs. The second stage offers transitional housing and necessary social services. Included in these services are mental health and substance abuse counseling, vocational rehabilitation, education, family support, child care, independent living skills training, job training, and placement, and employment opportunities where the homeless can both acquire and put to use new work skills. The final stage is permanent housing or permanent supportive housing arrangements. While all three stages may not be needed by everyone, the community will have them available as part of the coordinated, comprehensive plan.

A 1993 study for the Department of Social and Rehabilitation Services[1] lists recommendations on how to improve the conditions of the homeless population. It charges the Department of Public Health and Human Services (DPHHS) with the responsibility of carrying out the provisions of the 1990 National Affordable Housing Act in formulation of homeless policies and strategies. Since the unsheltered homeless population shares similar needs with the rest of the homeless population, these recommendations are valid for both populations. These recommendations include:

1. Provide for those who are homeless in Montana; identify the causes of homelessness throughout the communities in Montana; develop inventories of available services; and design action plans in emergency needs, permanent housing needs, and design strategies to prevent homelessness, of populations with special needs.

2. More coordination among the state and local providers of care for the homeless is needed including additional training, workshops, etc. The provision of outreach programs is also needed.

3. DPHHS should develop a task force or coalition to generate on-going recommendations addressing the needs of the homeless population in Montana. This task force should include representatives from various groups and organizations who deal with the homeless.

4. DPHHS should devise a comprehensive state plan for addressing the needs of Montana's homeless population. This plan should assess the number, the needs, various homeless groups with special needs, and an evaluation of available federal programs and funding. Such a strategy would need to utilize the available resources and help mobilize the task force in its effort to combat homelessness.

[1] *The Sheltered Homeless Population of Montana*, 1993.

ACTIONS FOR UPCOMING PLAN YEAR

No single approach or unique priority fits all regions of Montana equally well. Acceptably addressing the range of severe needs, while allocating resource equitably, makes for a complicated housing and community development policy agenda. Nevertheless, Montana is committed to moving forward with a concrete set of objectives. These are:

Housing:

- Relieve the shortage of available housing stock;
- Increase the stock of affordable rental units, especially assisted units;
- Promote resources available to build affordable housing units;
- Increase ability of low and moderate-income households to buy homes;
- Increase resources to finance housing maintenance and improvements;
- Simplify housing assistance programs;
- Increase accessibility of Montana's housing stock;
- Increase energy efficiency in Montana's housing stock;
- Decrease housing environmental hazards, such as lead-based paint or asbestos;
- Continue ability of MDOC to provide technical assistance;
- Increase the supply of affordable rental units and for-purchase homes;
- Affirmatively further fair housing: implement actions identified in the Analysis of Impediments to Fair Housing; and,
- Evaluate applications from eligible participants based on identified needs of the community which may include combination of job training or other welfare reform goals, along with housing goals.

Homelessness:

- Secure available resources for persons requiring supportive and transitional services;
- Assist persons requiring supportive and transitional services to achieve permanent housing;
- Assist in meeting the supportive services needs for the homeless;
- Assist in increasing capacity and counseling services for runaway youth;
- Assist in securing stable funding sources for existing homeless facilities and services;
- Continue to support statewide continuum of care strategy to ensure emergency, transitional and permanent housing.

Economic Development:

- Encourage viable economic development projects that promote investment of private capital, expansion of local tax bases, and creation of permanent, year-round jobs principally for low and moderate-income Montanans;
- Encourage economic activity which adds value to a product through manufacturing, refining, processing, or packaging, especially those activities that involve Montana's natural resources;
- Encourage economic activity which creates new wealth in Montana by selling the majority of its products outside of Montana, by effectively substituting goods previously produced outside of Montana with goods produced in Montana, or by distributing Montana-made goods;
- Encourage service companies such as consulting, engineering, or other companies that sell their services predominantly (greater than 50%) outside of Montana;
- Continue to expend the annual CDBG ED allocation and access other sources of funds for maximum financial leverage;
- Allow local communities to identify their own needs and develop their own initiatives;
- Assist the businesses and communities in achieving prosperity through various state and federal programs; and,
- Continue to explore the HUD Section 108 Loan Guarantee Program to redevelop brown fields.

Infrastructure and Public Facilities:

- Examine results of the last two years of infrastructure inventories and analysis;
- Identify available level of resources necessary to address these needs over next biennium;
- Continue to provide technical assistance to communities; and,
- Fully award all CDBG public facility funds.

Water System Improvements
Thompson Falls

Senior Citizens Center - Bozeman

Woodland Court - Kalispell

METHOD OF DISTRIBUTION

CDBG

	Min Amt.	Max Amt.
Competitive	0	7,433,990
Formula	0	0
Retained for State Project	0	0
Non-Competitive	0	0
State Admin of Program	0	333,010

ESG

	Min Amt.	Max Amt.
Competitive	0	0
Formula	0	343,850
Retained for State Project	0	0
Non-Competitive	0	0
State Admin of Program	0	18,150

HOME

	Min Amt.	Max Amt.
Competitive	0	3,871,644
Formula	0	0
Retained for State Project	0	0
Non-Competitive	0	0
State Admin of Program	0	165,356

HOPWA

	Min Amt.	Max Amt.
Competitive	0	0
Formula	0	0
Retained for State Project	0	0
Non-Competitive	0	0
State Admin of Program	0	0

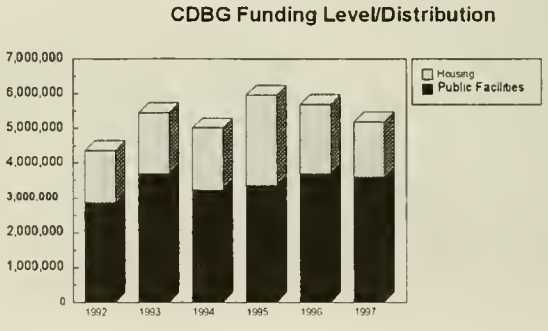
PROGRAM SPECIFIC REQUIREMENTS

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Montana administers nonentitlement Community Development Block Grant (CDBG) funds through the Local Government Assistance and Economic Development Divisions of MDOC. The CDBG program was established by the Federal Housing and Community Development Act of 1974 and has been administered by the state since 1982. The CDBG program is a federally funded competitive grant program designed to help communities of less than 50,000 population with their greatest community development needs. Eligible applicants are limited to general purpose local governments. All projects must principally benefit low and moderate income persons.

The primary objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities for persons of low and moderate income. Seventy percent of the funds must be used for activities that benefit low and moderate income persons.

The basic categories for local community development projects are housing, public facilities, and economic development. Some of the activities that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and non residential properties (including special facilities for the handicapped); construction of new, affordable housing (when sponsored by a non-profit organization); provision of public facilities and improvements such as water, sewer, or solid waste facilities or senior citizen centers; and assistance to for-profit businesses to promote economic development activities that will result in the creation or retention of jobs.



Method of Distribution
Grant Ceilings

The total amount of CDBG funds requested by an applicant (or joint applicants) must not exceed the following ceilings:

Type of Grant Ceiling	
Housing	$400,000
Public Facilities	$400,000
Economic Development	$400,000

Applicants should apply only for the level of funding necessary to carry out the project. Grant requests must be sufficient either by themselves or in combination with other proposed funding sources to complete the proposed activities within 24 months from the date of the announcement of grant award by the Department. There are no minimum amounts required for CDBG requests, although requests under $100,000 generally are discouraged.

Application Deadlines

Type of Grant	Deadline (tentative)
Public Facilities	May 28, 1999
Housing	October 15, 1999
Economic Development	Open Cycle

Applications must be delivered or postmarked on or before the deadline date. Applications for economic development assistance can be made at any time.

Economic Development Ranking Criteria

For-profit businesses applying to the CDBG program under the sponsorship of a local government must meet certain thresholds to be considered for funding. These are listed in the CDBG ED Program's Application Guidelines. In addition, the community and business must demonstrate the following:

1. All thresholds are met or exceeded;
2. Management capacity;
3. Realistic historical and projected financial earnings;
4. Adequate security;
5. A sound, well-reasoned proposal;
6. Firm commitment of funds from private or public sector lenders;
7. Readiness to proceed;
8. The project will support itself over time;
9. The level of CDBG assistance is appropriate in relation to the public benefit expected from the projec; and,.
10. Meets a state of Montana economic development objective.

Public Facilities Ranking Criteria

Public facility applications will be evaluated according to the following criteria and may be assigned up to a maximum of 800 points:

1. Needs Assessment and Project Selection	125 Points
2. Need for Project	100 Points
3. Project Concept and Technical Design	100 Points
4. Community Efforts	100 Points
5. Need for Financial Assistance	150 Points
6. Benefit to Low and Moderate Income	100 Points
7. Implementation and Management	125 Points
TOTAL:	800 Points

Housing Ranking Criteria

Housing applications will be evaluated according to the following criteria and may be assigned up to a maximum of 800 points, based on the following ranking criteria:

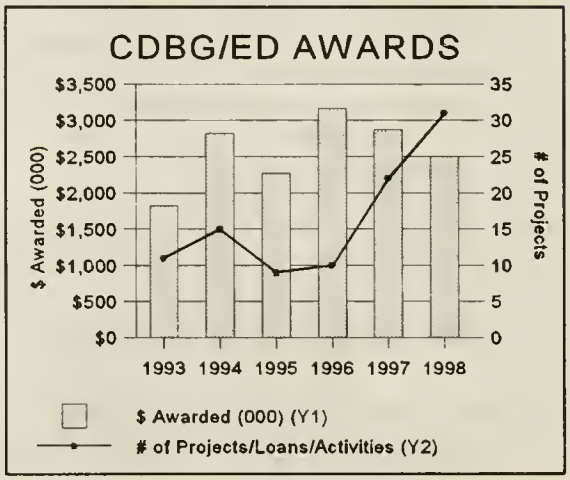
1. Needs Assessment and Project Selection	125 points
2. Need for Project	125 points
3. Project Strategy and Impact	150 points
4. Community Efforts	125 points
5. Benefit to Low and Moderate Income	150 points
6. Implementation and Management	125 points
TOTAL:	800 points

Brief Description of the CDBG Program Categories

1. Housing

For housing, CDBG funds are most often used to make low or no interest loans or grants to low- and moderate-income families to allow them to rehabilitate homes in substandard condition. CDBG funds can also be used to finance or subsidize the construction of new permanent residential units where the CDBG funds will be used by a local nonprofit organization. Housing projects can include site improvements to publicly-owned land or land owned by a nonprofit organization to be used for new housing.

Transitional (temporary) housing is eligible under the housing category. The acquisition of sites for new housing and conversion of existing nonresidential structures for residential use are also eligible CDBG housing activities.



Over the past 14 years, CDBG has funded 67 housing projects that equal more than $26 million in CDBG funds alone.

2. Economic Development Projects

For economic development, Montana's CDBG program is designed to stimulate the economic development activity by assisting the private sector, in order to create or retain jobs for low and moderate income persons. CDBG funds are intended to be used in situations where a funding gap exists, or alternative sources of public and private financing are not adequate. These funds are intended to complement conventional business financing and those of other federal programs such as the Economic Development Administration and Small Business Administration. The program is also encouraged to complement the Department of Commerce programs for business assistance administered by the Economic Development Division, such as the Regional Development program, the Montana Board of Investments programs, and the state Micro Business Finance program.

The CDBG economic development program is designed to assist businesses by making appropriate long-term, fixed-rate financing available to them at reasonable interest rates. Typical eligible activities that fall within the CDBG economic development category include: land acquisition; public facilities, infrastructure and other improvements in support of economic development, such as water and sewer lines, sidewalks, and access roads; loans for acquisition, construction,

rehabilitation, or installation of commercial and industrial buildings, facilities, equipment, or working capital; employee training; and grants or loans from communities to nonprofit entities.

3. Public Facility Projects

For public facility projects, CDBG funds have been used to upgrade or undertake the new construction of dozens of community water and sewer systems and other public facilities. During the last several years, communities have also utilized the CDBG program to construct or rehabilitate senior citizen centers, centers for abused or runaway youth, Head Start centers, assisted living facilities, and public nursing home facilities.

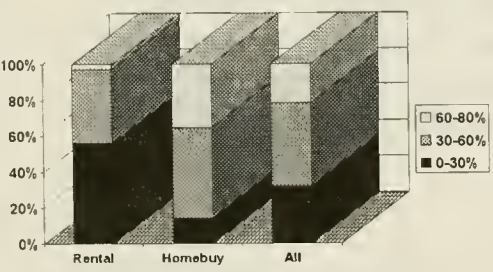
Monitoring

Similarly, CDBG projects will be monitored on-site during the Plan Year. A basic requirement of the Montana CDBG program - Housing, Public Facilities and Economic Development is that each project will be monitored by State Program Staff at least once. CDBG operates under a comprehensive monitoring system, meaning that all elements of the local CDBG project are reviewed in eleven different areas. Within each of these areas staff completes an extensive checklist whereby each project element is reviewed for compliance with HUD and State program requirements. Following the monitoring visit, staff issues a formal letter to the chief elected official of the local government reporting on the monitoring visit, noting any "Concerns," "Questions of Performance," or "Findings" as they may be applicable. Local government are asked to respond promptly regarding any questions of performance or findings.

For CDBG economic development projects, the method of project monitoring has been modified in response to the many nonprofit community development organizations that are managing CDBG economic development loan funds for one or several counties. More emphasis is being placed on loan documentation and financial evaluation procedures that also require more technical assistance from the state and other federal partners. A revolving loan fund (RLF) checklist has been developed for CDBG economic development projects that have generated program income which will be used for monitoring starting in the Spring of 1999. It can also be used as a reference guide to assist loan fund managers.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Beneficiaries By Area Median Income
(Percentage of Funds)



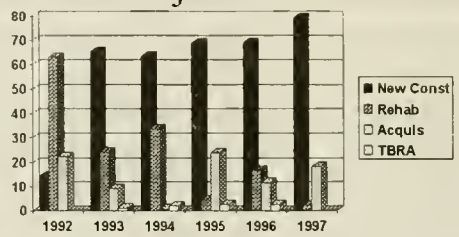
The HOME program, administered by the Housing Division, expands the supply of decent, affordable housing for low- and very low-income families; builds state and local capacity to design and carry out an affordable housing program; provides financial and technical assistance to participating jurisdictions, including model program development; and strengthens partnerships among all levels of government and the private sector in the development of affordable housing.

The program allows a wide range of eligible activities, including tenant-based rental assistance (TBRA); assistance to home buyers; property acquisition; new construction; reconstruction, relocation, or demolition; moderate or substantial rehabilitation; site improvements; and other activities to develop non-luxury housing.

Match Requirement

Required contributions, or "match," for grantee applicants ranges from 5 percent to the federally mandated 25 percent of non-administrative HOME funds expended. Any balance of the match requirement is provided by MDOC funds and/or utilizing previous years' excess match. The matching funds must be used for HOME-assisted or HOME-qualified projects. As a general rule, investments which are contributions from the State/local government or private sources will be eligible to qualify as a matching contribution. Eligible sources of match include: cash; the value of foregone interest, taxes, fees or charges by both public and private entities; value of donated land or real property; investments in on- or off-site improvements; bond financing; donated construction materials and voluntary labor. Federal funds (including CDBG funds) and owner financing/equity are ineligible match sources.

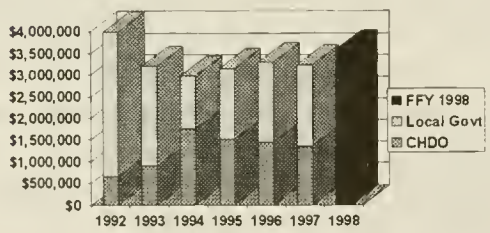
Fiscal Year Commitments By Housing Activity as a % of Total Project Funds



Guidelines for Recapture or Resale

Based on the amount of HOME dollars invested, home ownership programs are subject to a period of affordability. In addition, sale of the property by the home buyer during the period of affordability is subject to one of two options: resale restrictions or a possible recapture of the HOME subsidy. The resale provision provides for the initial property to remain affordable for the period of affordability. The subsequent purchaser must be low income and occupy the property as principal residence. The seller of the initial property will receive a fair return on his investment, but the unit must also be "affordable" to the new purchaser. This can be accomplished with a deed restriction with the right of first refusal or purchase. The HOME investment subject to recapture is based on the amount of HOME assistance provided and the affordability period on which it is based. Repayment of HOME proceeds at transfer of the property must be reinvested to assist another home buyer to obtain a home. The purchaser must also be a low-income household and occupy the property as their principal residence.

Funding Level/Distribution

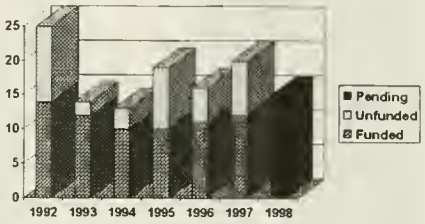


There are three methods of recapture that are acceptable:

1. Recapture the entire amount of the HOME investment, except that the amount may be reduced prorata based on the time the homeowner has owned and occupied the unit measured against the required affordability period.
2. The net proceeds may be divided proportionally if the funds are not sufficient to recapture the full HOME investment plus enable the homeowner to recover a portion of his investment.
3. If agreed upon, the program may allow the homeowner to recover all of his investment before recapturing the HOME investment.

All cities (except Billings and Great Falls), urban counties, contiguous units of local government, and CHDOs (Community Housing Development Organizations, certified nonprofit organizations) are eligible to apply for HOME funds under the program administered by MDOC. A formula allocation of federal funds is distributed to each state and eligible city. MDOC, the City of Billings, and the City of Great Falls are the only participating jurisdictions in the state. Fifteen percent of funds are set aside for programs owned, developed, or sponsored by CHDOs. HOME funds are distributed on a competitive basis. All HOME funds must assist families below 80 percent of the median income.

HOME
APPLICATIONS/FUNDED



HOME Application Deadline: **October 4, 1999**
HOME Award Date: **December 6, 1999**
HOME Administration Workshop: **January, 2000**

Monitoring

All HOME projects will be monitored on-site. Monitoring includes determining compliance with housing codes and applicable regulations, assessment of affirmative marketing actions, outreach to minority and women owned businesses, and data on the amount and use of program income for projects, including the number of projects and owner and tenant characteristics. The HOME program will monitor all projects completed during the program year in a timely manner.

EMERGENCY SHELTER GRANT PROGRAM

Emergency Shelter Grants (ESG), administered by the Intergovernmental Human Services Bureau, are to help improve the quality of existing emergency shelters for the homeless, make available additional shelters, meet the costs of operating shelters, and provide essential social services to help prevent homelessness. The grants are 100 percent funded by the U.S. Department of Housing and Urban Development. The 10 Regional Human Resource Development Councils (HRDCs) receive 95 percent of the grant funds. The remaining 5 percent is retained by the Department of Health & Human Services for administrative costs. The grants fund the renovation, rehabilitation, or operating costs of homeless shelters, and the provision of follow-up and long-term services to help homeless persons escape poverty. Shelters assisted and services delivered are determined by individual HRDCs. These funds are small in comparison to Montana's HOME and CDBG funding allocations.

The Montana Emergency Shelter program distributes funds based upon a formula allocation. The amount of funds allocated is determined on the basis of poverty and general population in each service area, relative to the poverty and general population of the entire state.

Funds are distributed to each Human Resource Development Council. All HRDCs will submit work plans, budgets, and reports outlining which of the allowable activities will be undertaken, how matching funds will be realized and a certification of local approval verifying that budgets and work plans have been reviewed and approved by a representative of the respective jurisdiction. The Department of Public Health and Human Services will execute contracts with all HRDCs within thirty (30) days of HUD approval of this application.

Actual project proposals for ESG funds have included the renovation of a building (asbestos removal and lead abatement) in order to use it as a transitional facility. Funds are also used to provide medical services to homeless individuals and families, to pay for hotel/motel rooms for homeless individuals, to pay rent or mortgages for homeless families, and to provide support groups, individual counseling, referral, advocacy and transport to homeless persons. Shelters have used funds to pay rent or mortgages, pay utilities, buy furnishings, and pay for maintenance and operational costs of their facilities. ESG funds are also used to pay security deposits on rent or utilities (or first month's rent) to enable homeless families to move into their own dwellings. The state has elected to allocate its funding to the non-profit HRDCs.

Monitoring

ESG funds will be distributed to each Human Resource Development Council in Montana. The ten HRDC's submit annual work plans, budgets and reports outlining which allowable activities will be undertaken. The Department of Public Health and Human Services enters into a contract with each HRDC. When ESG staff goes out on an annual basis to do on-site reviews, each HRDC is monitored following the work plan submitted and expenditures made to determine if they are in contract compliance.

CPS TABLE A
HOUSING PRIORITY NEEDS SUMMARY TABLE
STATE OF MONTANA - FISCAL 1999

PRIORITY HOUSING NEEDS (households)			Priority Need Level High, Medium, Low, No such need			ESTIMATED UNITS	ESTIMATED DOLLARS NEEDED TO ADDRESS	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS
			0-30%	31-50%	51-80%			
Renter	Small Related	Cost Burden > 30%	M	M	M	660	$301,000,000	
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
	Large Related	Cost Burden > 30%	M	M	M			
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
	Elderly	Cost Burden > 30%	M	M	M			
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
	All Other	Cost Burden > 30%	M	M	M			
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
Owner		Cost Burden > 30%	M	M	M	480		
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
TOTAL PRIORITY HOUSING NEEDS			M	M	M	1,140	$301,000,000	$6,069,165

CPS TABLE B
HOMELESS PRIORITY NEEDS SUMMARY TABLE
STATE OF MONTANA - FISCAL 1999

PRIORITY HOMELESS NEEDS	Priority Need Level High, Medium, Low, No such need			ESTIMATED DOLLARS NEEDED TO ADDRESS	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS
Assessment/Outreach	Families	Individuals	Persons w/ Special Needs		
	M	M	M	420,000	
Emergency Shelter	Families	Individuals	Persons w/ Special Needs		
	M	M	M	420,000	
Transitional Housing	Families	Individuals	Persons w/ Special Needs		
	M	M	M	3,000,000	
Permanent Supportive Housing	Families	Individuals	Persons w/ Special Needs		
	M	M	M	420,000	
Permanent Housing	Families	Individuals	Persons w/ Special Needs		
	M	M	M	420,000	
TOTAL PRIORITY HOMELESS NEEDS	M	M	M	$4,689,000	$1,003,000

CPS TABLE C
NON-HOUSING COMMUNITY DEVELOPMENT PRIORITY NEEDS SUMMARY TABLE
STATE OF MONTANA - FISCAL 1999

PRIORITY COMMUNITY DEVELOPMENT NEEDS	Priority Need Level High, Medium, Low, No such need	ESTIMATED DOLLARS NEEDED TO ADDRESS	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS
PUBLIC FACILITY NEEDS	M		
INFRASTRUCTURE IMPROVEMENT	H		
Solid Waste Disposal Improvements	H		
Waste Water Needs	H	$209,000,000	
Water System Improvements	H		
Other Infrastructure	M		
PUBLIC SERVICE NEEDS	M		
PLANNING	M		
OTHER COMMUNITY DEVELOPMENT NEEDS	M		
Lead Based Paint/Hazards	M		
ECONOMIC DEVELOPMENT NEEDS	H	$520,000,000	
TOTAL PRIORITY NON-HOUSING COMMUNITY DEVELOPMENT NEEDS	M	$729,000,000	$5,390,330

CONTINUUM OF CARE

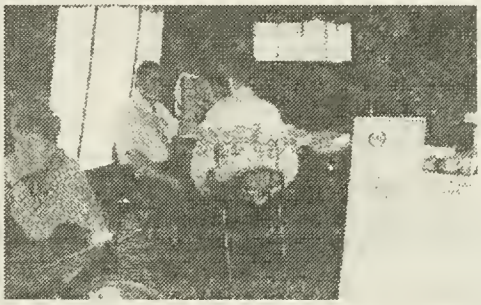
The Montana Continuum of Care strategy (MT COC) is a statewide effort supported by the Montana Department of Public Health and Human Services (DPHHS) that recognizes the uniform continuum of supportive services and housing assistance to the homeless provided in each community throughout the state. A significant part of the funding for the housing and services within the MT COC system comes from DPHHS, other state agencies and non-profit organizations with a statewide presence. Together, the MT COC system is the foundation of homeless support upon which each Montana community can then further develop additional local resources in response to specific needs. Certain areas of the state have historically seen a greater demand for services and have developed additional local resources. More sparsely populated regions of the state, however, may need only the baseline MT COC system to adequately respond to homeless people in their communities.

Montana Homeless Veteran's Standown - September 1998

Welcome and Registration

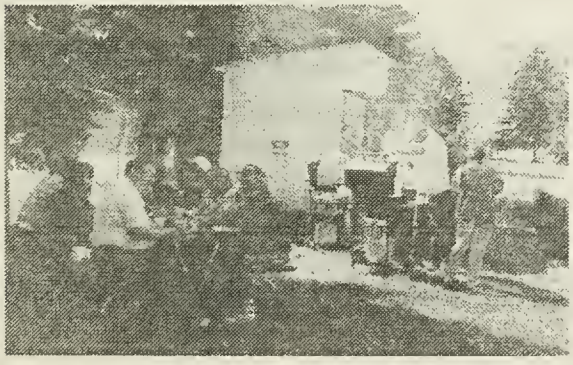
Voulnteer's Making the Stand Down Happen

The statewide continuum is a continuation of earlier efforts by DPHHS to promote increased efficience in homeless service delivery and enhance leveraging of the limited funding available to meet the needs of the homeless. This is accomplished through a statewide working group that includes representatives of state and local government, housing authorities, non-profit homeless and housing and service providers, veterans organizations, and mental health centers. These leaders come to the process as key players in their own communities, where they are actively involved in the delivery of homeless services.

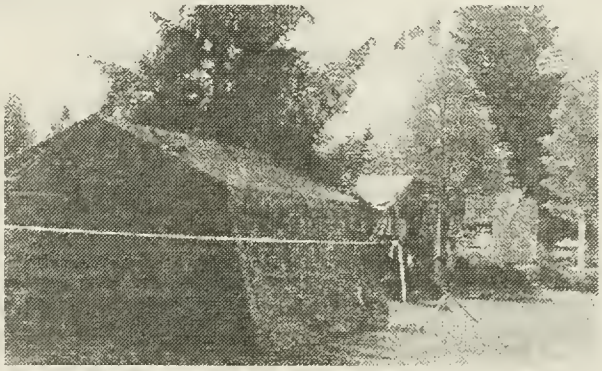


Serving the Homeless

The MT COC provides the essential components of a comprehensive COC, from outreach and assessment to permanent housing. Glaringly absent from the MT COC is adequate supportive housing, both transitional and permanent supportive housing. MT COC participants recognize that the transition from homelessness to permanent housing is difficult and that success is greatly enhanced with appropriate support. Each and every request submitted this year in the MT COC Consolidated application requests funding to fill this statewide service delivery gap and provide supportive housing to the homeless citizens of Montana.



Fast Food & Soda for All!



Standing Ready

Application for Federal Assistance

2. Date Submitted	Applicant Identifier
02/15/99	81-030240

1. Type of Submission:	3. Date Received by State	State Application Identifier
Application. Non - Construction		81-0302402
Preapplication. Non - Construction	4. Date Received by Federal Agency	Federal Identifier
		81-0302402

5 Applicant Information

Legal Name	Organizational Unit
Montana Department of Commerce	Local Govt. Asst./Economic Devel. Div.
Address	**Contact**
1429 9th Avenue Helena, MT 59620 All	Gus Byrom, Program Manager (406) 444-4477

6. Employer Identification Number (EIN):	7. Type of Applicant:
81-030240	State
8. Type of Application:	**9. Name of Federal Agency:**
Type: Continuation	Department of Housing and Urban Development

10. Catalog of Federal Domestic Assistance Number:	11. Descriptive Title of Applicant's Project:
Catalog Number: 14.228 Assistance Title: Community Development Block Grant Program	FY 99 State of Montana Community Development Block Grant Program
12. Areas Affected by Project:	
State of Montana (excluding the city limits of Great Falls and Billings)	

13. Proposed Project:		14. Congressional Districts of:	
Start Date	End Date	a. Applicant	b. Project
04/01/99	03/31/00	Montana	Montana

15. Estimated Funding:	16. Is Application Subject to Review by State Executive Order 12372 Process?
a. Federal $7,767,000	Review Status: Program not covered
b. Applicant $0	
c. State $0	
d. Local $0	17. Is the Applicant Delinquent on Any Federal Debt?
e. Other $0	No
f. Program Income $0	
g. Total $ 7,767,000	

18. To the best of my knowledge and belief, all data in this application/preapplication are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.

a. Typed Name of Authorized Representative	b. Title	c. Telephone Number
Andy Poole	Deputy Director, Department of Commerce	(406) 444-3797
d. Signature of Authorized Representative		e. Date Signed
		2-9-99

Application for Federal Assistance

2. Date Submitted	Applicant Identifier
02/15/99	81-030240

1 Type of Submission:	3 Date Received by State	State Application Identifier
Application. Non - Construction		81-0302402
Preapplication Non - Construction	4 Date Received by Federal Agency	Federal Identifier
		81-0302402

5 Applicant Information

Legal Name	Organizational Unit
Montana Department of Commerce	Housing Division
Address	**Contact**
836 Front Street Helena, MT 59624 All	Dave Parker Program Manager (406) 444-0092

6 Employer Identification Number (EIN):	7. Type of Applicant:
81-030240	State
8. Type of Application:	9. Name of Federal Agency:
Type: Continuation	Department of Housing and Urban Development

10. Catalog of Federal Domestic Assistance Number:	11. Descriptive Title of Applicant's Project:
Catalog Number: 14.239 Assistance Title: HOME Investment Partnerships Program	FY 99 State of Montana HOME Investment Partnerships Program
12 Areas Affected by Project:	
State of Montana (excluding the city limits of Great Falls and Billings)	

13 Proposed Project:		14. Congressional Districts of:	
Start Date	End Date	a. Applicant	b. Project
04/01/99	03/31/00	Montana	Montana

15. Estimated Funding:	16. Is Application Subject to Review by State Executive Order 12372 Process?
a. Federal $4,037,000	Review Status: Program not covered
b. Applicant $0	
c. State $0	
d. Local $0	17. Is the Applicant Delinquent on Any Federal Debt?
e. Other $0	No
f. Program Income $0	
g Total $ 4,037,000	

18. To the best of my knowledge and belief, all data in this application/preapplication are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.

a Typed Name of Authorized Representative	b. Title	c. Telephone Number
Maureen Rude	Administrator, Housing Division	(406) 444-3040
d Signature of Authorized Representative		e. Date Signed
Maureen J. Rude		1/28/99

Application for Federal Assistance

2. Date Submitted	Applicant Identifier
02/15/99	81-0362402

1 Type of Submission.	3. Date Received by State	State Application Identifier
Application. Non - Construction Preapplication. Non - Construction		81-0362402
	4 Date Received by Federal Agency	Federal Identifier
		81-0302402

5. Applicant Information

Legal Name	Organizational Unit
State of Montana	Child and Family Services Division
Address	**Contact**
P.O Box 4210 Capitol Station Helena, MT 59620 All	Jim Nolan, Program Manager (406) 447-4260

6. Employer Identification Number (EIN):	7. Type of Applicant:
81-030240	State
8. Type of Application:	
Type: Continuation	
	9. Name of Federal Agency:
	Department of Housing and Urban Development
10. Catalog of Federal Domestic Assistance Number:	11. Descriptive Title of Applicant's Project:
Catalog Number: 14.231 Assistance Title: Emergency Grant Program	FY 99 State of Montana Emergency Shelter Grant Program
12. Areas Affected by Project:	
State of Montana	

13. Proposed Project:		14. Congressional Districts of:	
Start Date	End Date	a. Applicant	b. Project
04/01/99	03/31/00	Montana	Montana

15. Estimated Funding:	16. Is Application Subject to Review by State Executive Order 12372 Process?
a. Federal $363,000	Review Status: Program not covered
b. Applicant $0	
c. State $0	
d. Local $0	17. Is the Applicant Delinquent on Any Federal Debt?
e. Other $0	No
f Program Income $0	
g Total $ 363,000	

18. To the best of my knowledge and belief, all data in this application/preapplication are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.

a Typed Name of Authorized Representative	b. Title	c. Telephone Number
Hank Hudson	Administrator	(406) 444-5901
d Signature of Authorized Representative Hank Hudson		e. Date Signed 2-1-99

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

2. Establishing an ongoing drug-free awareness program to inform employees about -

   (a) The dangers of drug abuse in the workplace;
   (b) The grantee's policy of maintaining a drug-free workplace;
   (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
   (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;

4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -

   (a) Abide by the terms of the statement; and
   (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -

   (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

   (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

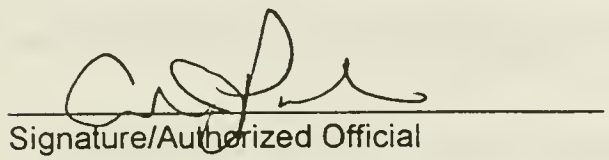
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.



Signature/Authorized Official

2/6/99
Date

Deputy Director, Department of Commerce
Title

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;

2. It engages in or will engage in planning for community development activities;

3. It provides or will provide technical assistance to units of local government in connection with community development programs; and

4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year 1999 shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. Special Assessments. The state will require units of general local government that receive CDBG funds to certify to the following:

   It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

   However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

   It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

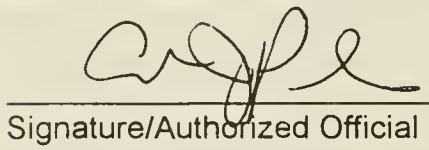
Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.



2-9-99

Signature/Authorized Official Date

Deputy Director, Department of Commerce
Title

Specific HOME Certifications

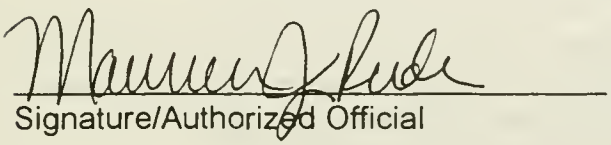
The State certifies that:

Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

> The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;



Signature/Authorized Official

1/28/99
Date

Administrator, Housing Division, Department of Commerce
Title

ESG Certifications

The State seeking funds under the Emergency Shelter Program (ESG) certifies that it will ensure that its recipients of ESG funds comply with the following requirements:

Major rehabilitation/conversion -- In the case of major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the rehabilitation is not major, the recipient will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services -- Where the assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance for such individuals.

Matching Funds -- It will obtain matching amounts required under 24 CFR §576.71.

Confidentiality -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted through this program, and in providing services for occupants of such facilities.

Consolidated Plan -- It is following a current HUD-approved Consolidated Plan.

Hank Hudson — Signature/Authorized Official

2-1-99 — Date

Administrator, Child and Family Services
Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.

2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. For grantees other than individuals, Alternate I applies. (This is the information to which jurisdictions certify).

4. For grantees who are individuals, Alternate II applies. (Not applicable jurisdictions.)

5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes

place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance:

1424 9th Avenue, Helena, Lewis and Clark County, Montana 59620
836 Front Street, Helena, Lewis and Clark County, Montana 59620
1400 Carter Drive, Helena, Lewis and Clark County, Montana 59620

Check _____ if there are workplaces on file that are not identified here; The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

9. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel

and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

1998 HUD Disaster Recovery Initiative -- States

TITLE I, HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED AND 1998 SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT

CERTIFICATIONS BY THE STATE

In accordance with applicable statutes, regulations, and notices, the State of Montana, certifies that the State:

Authority of State. The Action Plan is authorized under state laws (as applicable) and the state possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Method of Distribution. The State has developed the method of distribution so as to give maximum feasible priority to activities which will benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight, and the method of distribution may also include activities which the State will certify are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and where other financial resources are not available to meet such needs, that is in accordance with any Federal Register notice governing the use of 1998 HUD Disaster Recovery Initiative funds.

Compliance with Anti-discrimination Laws. The grant will be conducted and administered in compliance with:

a. Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 42 U.S.C. §2000d et seq.); and

b. The Fair Housing Act (42 U.S.C. 3601-20);

4. **Affirmatively Further Fair Housing.** It will affirmatively furthering fair housing as required by 24 Code of Federal Regulations (CFR) part 570.487(b)(2);

It will not attempt to recover any capital costs of public improvements assisted in whole or in part with funds provided under the HUD Disaster Recovery Initiative by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:

a. Funds received under the HUD Disaster Recovery Initiative are used to pay the

proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under Title I of the Housing and Community Development Act of 1974, as amended; or

b. For purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient funds received under the HUD Disaster Recovery Initiative to comply with the requirements of subparagraph a. above;

5. **Drug Free Workplace.** It will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

b. Establishing an ongoing drug-free awareness program to inform employees about:

i. The dangers of drug abuse in the workplace;

ii. The grantee's policy of maintaining a drug-free workplace;

iii. Any available drug counseling, rehabilitation, and employee assistance programs; and

iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will:

i. Abide by the terms of the statement; and

ii. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the U. S. Department of Housing and Urban Development, in writing, within ten calendar days after receiving notice under subparagraph d.ii. from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the

identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.ii., with respect to any employee who is so convicted:

   i. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

   ii. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a, b, c, d, e and f.

h. The grantee shall insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

   Place of Performance:

   The grantee further certifies that, if it is subsequently determined that additional sites will be used for the performance of work under the grant, it shall notify the U. S. Department of Housing and Urban Development immediately upon the decision to use such sites by submitting new "Place of Performance" information.

---

6. **Anti-Lobbying.** To the best of its knowledge and belief:

   a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

   b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

   c. It will require that the language of paragraph 5 of this certification be included in the

award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly;

7. **Acquisition and Relocation.** Except as waived, it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as required under section II F. of Federal Register Notice and Federal implementing regulations;

8. **Citizen Participation.** Except as waived, it will:

   a. Furnish citizens or, as appropriate, units of general local government information, concerning the amount of funds available for proposed HUD Disaster Recovery grant activities and the range of activities that may be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income;

   b Publish a proposed Action Plan for Disaster Recovery in such manner to afford affected citizens or, as appropriate, units of general local government an opportunity to examine its content and to submit comments on the proposed statement and on the community development performance of the grantee;

   c. Provide citizens or, as appropriate, units of general local government with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of funds received under this grant from one eligible activity to another or in the method of distribution of such funds; and

   d. Identify how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

   In preparing the Action Plan for Disaster Recovery, the grantee shall consider any such comments and views and may, if deemed appropriate by the grantee, modify the proposed Action Plan for Disaster Recovery. The Action Plan for Disaster Recovery shall be made available to the public;

9. **Consultation with Local Governments.** In accordance with part 91.325(b)(2)(iv), it has consulted with affected units of local governments and Indian tribes in the non-entitlement areas of the State in determining the method of distribution of funding to address needs resulting from a covered Presidentially declared disaster.

10. **Excessive force.** It will require units of general local government that receive Community Development Block Grant funds to certify that they have adopted and are enforcing:

    a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations;

and

b. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

10. **Compliance with Applicable Laws.** It will comply with other applicable laws, and with program requirements published in the Federal Register.

Signature 3/16/99
Date

Administrator
Title

APPENDIX TO HUD DISASTER RECOVERY INITIATIVE GRANTEE CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

1 Lobbying Certification - Paragraph 5

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

2. Drug-Free Workplace Certification - Paragraph 4

a. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out in paragraph 4.

b. The certification set out in paragraph 4 is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

c. For grantees other than individuals, Alternate I applies. (This is the information to which city and county grantees certify).

d. For grantees who are individuals, Alternate II applies. (Not applicable to city and county grantees.)

e. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

f. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

g. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph e.).

h. Definitions of terms in the Non-procurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are not on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

SUMMARY OF CITIZEN PARTICIPATION

(for Plan Year April 1, 1999 - March 31, 2000)

The annual citizen participation process of updating the Consolidated Plan (CP) is designed to give the public an opportunity to comment on the way HUD programs are administered by the State. The following public review process follows the Citizen Participation Plan dated March, 1998.

The *Economic and Demographic Analysis* was updated with current information. Eight hundred ninety-one letters notifying individuals and organizations of the availability of the Analysis and the Annual Performance Report for the period April 1, 1997 through March 31, 1998 were sent. Numerous requests were received for the documents.

The *Economic Benefits of MDOC Housing, Infrastructure and, Economic Development Program Activities* was also updated. This document evaluates the economic benefits generated by investments under programs administered by MDOC: Section 8 Rental Assistance, Montana Board of Housing, Home Investment Partnership, and the Community Development Block Grant Programs.

INPUT MEETING

A letter was sent to 863 local governments, public agencies, member organizations and citizens throughout Montana encouraging their participation in updating the Annual Action Plan and CP. Several organizations were individually contacted and encouraged to provide information and valid statistics to aid in the update process. Legal advertisements were placed in sixteen newspapers around the state advertising the public input hearing and requesting oral and written comments.

A public information hearing was held on March 30, 1999 in Choteau for the express purpose of receiving public input prior to developing the draft Action Plan. The meeting was attended by thirteen people. No written comments were received. Following is a summary of the Choteau input meeting.

CHOTEAU

An explanation of the five year Consolidated Plan and interim Action Plan was given. Also an explanation that this was the public's opportunity to provide input, voice opinions, give comments, suggestions, and criticisms regarding the Plan and how the State has proposed the HUD allocation be spent. There were few comments on the Plan itself.

Comment: *One individual stated that they felt a lot of the public facility and infrastructure projects were done and now more CDBG money should be allocated to housing.*

Response: The state's total CDBG allocation is distributed among the economic development (one-third) and public facilities and housing (two-thirds) categories. In Program Year 1998, of the two-thirds allocation going to housing and public facilities category, 45% will go to housing and 55% will go to public facilities. For Program Year 1997, approximately 33% of the allocation went to housing and 67% went to public facilities. In addition, emergency and transitional housing and other temporary, short-term housing facilities have been moved to the housing category from the public facilities category.

Comment: *Can CDBG money be used to remodel or build a courthouse?*

Response: No. Under federal CDBG regulations, buildings used for the general conduct of government cannot be assisted with CDBG funds. However, funds may be used for activities for the removal of architectural barriers that restrict the mobility and accessibility of elderly or disabled persons using the courthouse.

Choteau Public Meeting

Comment: *Many native Americans don't feel they can afford to buy a home. Greater information and education outreach should be made to inform them of the ability to purchase homes. What about the possibility of doing a study of the native American population and why they are not buying homes, then addressing the results of the study with education through the programs?*

Response: The Consolidated Plan Steering Committee will decide if the suggested study is warranted and if so, it will be included as supporting documentation to the Five Year Consolidated Plan. The Department of Commerce conducted an analysis of the Home Mortgage Disclosure Act data in August, 1998 That analysis provides some data regarding loan denial rates, however, much of the information identified in the HMDA is voluntary and subsequently not available.

Several questions were asked about how to access funds from the CDBG and HOME Programs. The questions continued along very specific program lines. The meeting was adjourned and the ensuing discussion turned into a mini-application workshop for both CDBG and HOME programs.

REVIEW MEETINGS

The draft CP Annual Action Plan was released to the public in November, 1998. The following avenues were used to inform the public that the Action Plan was available for review and comment. Based on these mailings, several people called and requested copies.

✘ Newspaper notices announced that copies of the document had been distributed to public libraries in Montana and were available for review. Dates, locations and times of the scheduled public review meetings were included.

✘ The draft CP Annual Action Plan, and cover letter was sent to 182 public libraries and County Planning offices in the state. Libraries located in larger towns received several copies to allow for at least one copy to be checked out. All documents displayed a schedule of future public review meetings.

✘ A packet was sent to 885 individuals, agencies and organizations on the Consolidated Plan mailing list. The packet contained the *Introduction* to the Action Plan and a cover letter that included dates, locations and times of scheduled public review meetings and a map showing meeting locations.

✘ The dates and locations for all public review meetings were posted on the State Bulletin Board System.

Several comments were received on the proposed Action Plan. The meetings in Billings and Shelby were sparsely attended. However, the MetNet Conference held on December 2, with seven interactive sites, proved very beneficial in stimulating good comments and conversation. Three written comments were also received.

METNET MEETING

Seven people volunteered to host downlink sites for the MetNet meetings. Handouts and information were sent out early to be distributed at each of the sites.

Attendance: Bozeman (1)
Butte (1)
Dillon (1)
Havre (2)
Kalispell (3)
Miles City (2)
Missoula (13)
Helena (15)

METNET Host Site - Helena

Comment: *One individual asked if the CDBG program had determined the break down of the State allocations for infrastructure, public facilities and housing.*

Response: Montana anticipates a slight increase in CDBG funds. The tentative funding breakdown is $2.7 million for Economic Development, $5.3 million for Housing and Public Facilities and $100,000 in Technical Assistance grants. The CDBG program will hold a

public hearing on January 20 to discuss changes to program guidelines and the public is encouraged to comment.

Comment: *How many applications were received for Housing and Public Facilities last year?*

Response: The CDBG program received 12 housing applications last year and only 6 this year. This year approximately 14 were received and we anticipate more for Public Facilities next year.

Comment: *It appears there is a desire in the CDBG program to target certain neighborhoods, but doesn't work well in small communities because it limits their activity. It's difficult for commissioners to say one side of the street should get help and another doesn't. The same problems apply to multi-county districts as well.*

Response: For housing projects and related activities, the targeting issue has been an area of major concern and consideration within Montana's CDBG program. The CDBG guidelines have included the statement for several years, "For small communities, the most appropriate "target" area may very well be the entire community. In recent years, the CDBG program has sought to define its mission as "building communities". This would link to the efforts of county commissioners, planning boards and others to establish reasonable community development policies.

It is the goal of the Montana CDBG program to assist Montana local governments meet their greatest community development needs, with an emphasis upon serving the needs of low and moderate income persons and families. Linked to this goal is the mission to support the development of viable communities. Viable communities are defined as well planned communities possessing adequate employment opportunities, sound infrastructure, and affordable housing with reasonable access to necessary services.

Comment: *CHDOs can do housing rehabilitation in other states but not here in Montana. HRDCs must go through the local government and that makes it difficult. It would be much easier and simpler to be able to apply directly.*

Response: CHDOs are limited to eligible activities involving ownership, sponsorship and development and are unable to perform housing rehabilitation based on federal regulations. The HOME program has discussed an optional method for CHDOs to participate in the program and requested comments on the following proposed policy change.

> **Allow Community Housing Development Organizations (CHDOs) to participate in non-CHDO set-aside activities.** Current CHDO ineligible activities include tenant-based rental assistance, existing homeowner rehabilitation, rehabilitation of existing, privately-owned, rental housing, and acquisition of property for a homebuyer program where no rehabilitation is required. If implemented, this change would allow Montana's certified CHDOs to apply to the HOME Program for

a non-CHDO set-aside activity.

The current guideline structure would apply, and the CHDO would still be allowed to apply only once per cycle, as per HOME Application guidelines. In addition, a CHDO would not be allowed to mix CHDO activities and non-CHDO activities in a single application. Projects within the city limits of an entitlement community would remain ineligible.

It has been decided that the above stated option will be available to CHDOs beginning with the Fall 1999 Application cycle. Specific information will appear in the 1999 HOME Application Guidelines.

Comment: *It is a definite disadvantage to apply one year and then not be able to apply the second year because funds are not spent down. This can discourage collaborations when working with more than one county*

Response: The list of eligible applicants may expand if change proposals are implemented, but each eligible applicant is still limited to one application per funding cycle and still subject to spend down and performance requirements.

Comment: *The Economic Development technical assistance money set aside for small business development and micro business is very helpful and really works. A good strategy to work with businesses and increase applications for Economic Development programs.*

Comment: *How were the priorities determined in the Homeless priority needs table under the Continuum of Care on page 29, Table B, of the proposed Action Plan? The commentor questioned the $3 million estimated for transitional housing when it appears there is a greater need for permanent housing with transitional supportive services.*

Response: The figures listed on Table B originated with the 5 year Consolidated Plan and have not ben updated other than changes made in relation to the anticipated dollars available. Some of the studies and analysis proposed in support of the upcoming five year CP will be used to revise the figures.

Comment: *A summary of the Continuum of Care nascent effort two years ago is included in the proposed Action Plan. The Continuum of Care was updated this year through the efforts of planning and strategy of a much larger group. The Continuum of Care information should be updated and expanded in the Action Plan.*

Response: The Continuum of Care is an adjunct to the services in the CP but is actually outside the purview of the Plan. However, the Continuum of Care section has been updated.

Comment: *Will CDBG money be available for human supportive services in the near future?*

Response: Public services are an eligible CDBG activity (not to exceed 15% of grant funds awarded); however, since the inception of Montana's program in 1982, local governments have indicated a very strong preference that CDBG focus on physical projects rather than public services. There has been a general consensus among local officials that CDBG dollars should be focused on long term capital construction projects and that local governments would be responsible for providing public services.

Comment: *One person expressed appreciation for the Technical Assistance grant to Ekalaka and Jordan to prepare a needs assessments.*

Response: Over $200,000 will be available in 1999 on a 50/50 match basis for technical assistance grants to support similar projects for other communities.

Comment: *Should CDBG dollars go toward human services? One person asked how the low and moderate income benefit would be measured if CDBG funds were used for public services? Use a percentage of the population, or just put funds into communities that have 50% or lower, low and moderate income residents?*

Another person felt public services were important to help develop child care programs for people struggling and getting back into the work force, also, for persons with mental illness to get back into main streaming with jobs and housing. There is such a need for supportive services that it is important to provide another resource.

Another comment stated that local governments would have to sponsor applications on behalf of other organizations. If this was done, would they need to have a local grant competition and then go into CDBG for funding?

Others felt that it is so difficult to get money to do public facilities and housing that money should stay in bricks and mortar, and we should look elsewhere for funding human services and keep HOME and CDBG for housing. It is difficult to convince commissioners on the need for public services. Adding supportive services would dilute programs for the resources needed to meet basic needs.

Response: The Montana CDBG program will continue its emphasis on funding capital construction projects. The majority of local governments have continued to indicate strong support for concentrating limited CDBG funds on capital facility projects, such as water and sewer systems, senior centers, and head start centers.

Comment: *One individual asked if there could be a small HOME set-aside that would not be part of the normal application cycle, to be used for projects that need to be completed quickly on a first-come first-served basis. Preservation projects going to market would be an excellent example of where the funds could be used. The funds would truly be used to gap finance with not more than 10 % of total project cost coming from the set-aside. A maximum set-aside of $10,000 to $20,000 was suggested that could be used based on the size of the project. Butte, yes; Missoula, yes; Bozeman, yes. One commentor asked if there would be an application workshop for the set-aside of funds also? Another*

commentor suggested the set-aside be used as a short term 0% interest loan. Often time opportunistic land or building purchase comes up that needs to be acted on quickly.

Response: The HOME program has discussed an option similar to this and requested comments.

> **Set-aside some amount of HOME funds for "emergency use" by CHDOs or local government entities.** This suggestion focuses on taking advantage of time sensitive opportunities regarding some aspect of developing affordable housing. The original suggestion included a dollar figure near $50,000.

It has been decided that this option will not be implemented at this time.

Comment: *Many people do not hear about the Consolidated Plan until it is in draft form. Feel the State needs to encourage more input by issuing a questionnaire to encourage participation. Ask specifically what types of things communities need and issues they have. Another person said that communities don't take the CP seriously until they need to reference it on a HUD grant; then they find things that could have been included that would have been very helpful in the overall rating and ranking of their grant. Another commentor suggested that the CP not be a duplicative effort. For instance the current Continuum of Care should fit right into the CP without much change.*

Response: Each year letters are sent to individuals, organizations and local governments and newspaper ads published requesting input on the CP. Commerce also holds one input meeting. The meeting held in Choteau this year was attended by thirteen people; however, there were few questions on the CP. Most of the questions focused on individual programs and how communities could apply for grant funds. The State plans to hold several input meetings for the CP this Spring. Two will be in conjunction with the Application Workshops held in Sidney and Butte. One will be held in Ronan. A MetNet meeting will also be held, based in Helena and interacting with seven other sites. We hope to obtain good feed-back from local governments and organizations on how the 5 year CP would most benefit them.

Comment: *A recommendation was made to consider an earlier application deadline for Technical Assistance grants for CDBG if possible. After the applications are awarded in August, it takes until November to hire an engineer. By that time, the weather does not cooperate and the process is delayed a whole year. If an Engineer could be hired in August then they would move forward and be ready to go the next spring.*

Response: In response to comments received, the deadline for TA applications will be moved up to April 30, in order to provide more time for local governments to get their TA projects underway during the 1999 program year.

Many positive comments were received about the MetNet Conference. Travel is an issue in Montana and everyone supported the State's efforts to try another avenue for holding meetings. This forum was advantageous for debating current issues of concern. It was

unanimously agreed that this type of arrangement would not be suitable for an application workshop because more "one-on-one" is needed.

BILLINGS

Five people attended the public review meeting held in Billings on December 8, 1998.

Comment: *The homeless section of the Consolidated Plan needs to be strengthened and the needs identified in the Continuum of Care should be included. A map should also be included in the Homeless Directory. There should be a coordinated one-day census taken of the homeless population. Overall, there should be more meetings and conferences held on the Continuum of Care.*

Response: We welcome suggestions to strengthen the homeless section of the CP and would urge the commentor to be specific. The needs identified by the COC can certainly be included. The homeless directory includes the addresses of the shelters so a map may be redundant. There are plans to do a one day census of homeless population. The recommendation for more meetings and conferences on the COC will be forwarded to those working on the COC.

Comment: *HOME funds should be used solely for construction purposes with no supportive services included. The grant ceiling should remain at $400,000. However, the 8% administration should be increased.*

Response: HOME administration is limited by federal regulation to 10% each annual allocation. This includes all grantee administration and MDOC administration. At this time the percentage cannot be raised.

Comment: *The new Uniform Application has been very good in making effective changes.*

Comment: *One commentor would like to see expanded assistance to small rural communities. Could a Technical Assistance grant be used to help communities with their applications such as paying for travel expenses to application workshops? Local residents are overwhelmed with the application process. Could technical guidance and maintenance costs be built into the fund as part of an infrastructure grant?*

Response: The Economic Development Division at DOC has five Regional Development Officers that cover five geographic areas of the state. They travel to communities to assist with community and economic development needs. They provide assistance to businesses and help communities develop applications to the CDBG ED program. They also provide general assistance with other community and economic development financing programs. The CDBG ED program also intends to initiate a series of informal one-day pre- and post award workshops to explain the program guidelines and

requirements.

***Comment**: The $100,000 minimum grant for Economic Development is a reasonable amount.*

***Comment:** Please send the information regarding meetings out really early so it can be included in task force newsletters. Also suggest looking at website update for upcoming events.*

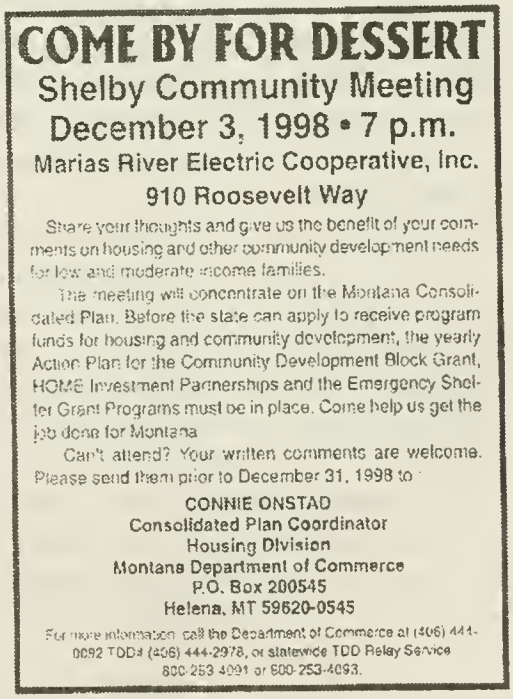
Response: Notification of the availability of the draft Action Plan was sent to 886 local governments, organizations and individuals on October 20 with information that public review meetings would be held December 2, 3 and 8. The comment period extended until December 31, 1998. In addition to the letter being sent, advertisements were placed in 15 local and regional newspapers throughout the State. The State Bulletin Board was also used to relay information pertaining to the public review meetings and comment periods from November 10 through December 31, 1998.

SHELBY

The Shelby review meeting was attended by two people.

***Comment:** Because of the change in the complexity of the grant applications over the years, preparing one is a very time consuming process for the average citizen. Small communities feel compelled to hire a consultant to write the grant so they have a better chance of getting funded. This is a very expensive endeavor.*

Response: HOME continues to work toward simplifying and standardizing requirements between other funding sources. In any given year, half of the applicants utilize a consultant and half do not. We are constantly cross checking requirements levied upon our customers to make sure they are providing information we need in order to award HOME funds to the best projects.



COME BY FOR DESSERT

Shelby Community Meeting

December 3, 1998 • 7 p.m.

Marias River Electric Cooperative, Inc.

910 Roosevelt Way

Share your thoughts and give us the benefit of your comments on housing and other community development needs for low and moderate income families.

The meeting will concentrate on the Montana Consolidated Plan. Before the state can apply to receive program funds for housing and community development, the yearly Action Plan for the Community Development Block Grant, HOME Investment Partnerships and the Emergency Shelter Grant Programs must be in place. Come help us get the job done for Montana.

Can't attend? Your written comments are welcome. Please send them prior to December 31, 1998 to:

CONNIE ONSTAD
Consolidated Plan Coordinator
Housing Division
Montana Department of Commerce
P.O. Box 200545
Helena, MT 59620-0545

For more information call the Department of Commerce at (406) 444-0092 TDD# (406) 444-2978, or statewide TDD Relay Service 800-253-4091 or 800-253-4093.

Western Breeze 12/01/98

WRITTEN COMMENTS

***Comment**: Expanding the CDBG program to include monies for continuum of care would be an endless drain on the funds which have been specifically used for housing, economic development and public facilities. There are other avenues to be used for the continuum of care, such as a mental health organizations, social security Medicare program and maybe even welfare. Keep the CDBG program as is and what it was intended for and not an additional item which would be a total drain on the program.*

Response: The Montana CDBG program will continue to focus on funding capital construction projects, rather than on human services.

***Comment:** Please remove the prohibition against CHDOs directly undertaking housing rehabilitation projects. It is our understanding that while housing rehabilitation undertaken by a CHDO would not count toward the 15% CHDO set-aside requirements, CHDOs are eligible entities to undertake housing rehabilitation as subrecipients.*

Response: See response to similar comment on page 48.

***Comment:** Permit a housing authority to apply directly for HOME funds. Currently, a housing authority must apply for HOME funds through a unit of local government, or CHDO. Experience has shown this results in a disincentive for housing authorities considering use of HOME funds. The process of working through an intermediary makes use of HOME funds more unpredictable, administratively burdensome, and administratively more expensive. It thus limits the universe of possible applications for use of HOME funds from some of the strongest non-profit housing providers and developers in the state.*

Response: Housing Authorities are currently precluded from applying to the HOME program directly and must apply for HOME funds through a city or county government. The HOME program has discussed the following option and has requested comments on the following proposed policy change.

> **Allow Montana's public housing authorities to apply directly, as a quasi-local governmental entity.** All current application guideline requirements would apply. Entitlement city housing authorities would be eligible to apply for a project outside the city limits, within their ten mile area of jurisdiction. No applications would be allowed for projects within the city limits of an entitlement community. It is possible that a city and a PHA would apply for HOME funds at the same time, for the same project or different projects.

It has been decided that public housing authorities will be eligible applicants to the HOME program. The change will appear in the 1999 HOME Application Guidelines.

***Comment:** Permit a housing authority in HOME entitlement cities to apply for state HOME*

funds. These housing authorities typically serve the largest population concentrations in the state. Experience has shown that local HOME dollars are often not sufficient to underwrite the cost of delivery of appropriately targeted affordable housing.

Response: Under certain situations, in the future, state HOME funds may be accessible to housing authorities for projects located within the boundaries of an entitlement city (Billings and Great Falls). The situation would occur only under the following scenario. The HOME program asked for comments on the following policy change:

> **Allow Montana's entitlement CHDOs, housing authorities and cities to apply to the Montana HOME Program in second round competition when state demand does not equal or exceed funds available.** As an example, if $3.9 million were available, and applicants requested $3 million, the $.9 million not requested would be available state-wide, to include entitlement customers listed in bold print above. Another example: $3.9 million available, $3.6 million requested, $3 million awarded. In this example, the $.9 million not awarded would be opened up for state-wide competition.

After consideration of the option to allow entitlement CHDO's, public housing authorities and cities to apply for state HOME funds, it was decided that if funds remained after the initial grant awards, the remaining allocation will be open in a second round competition to all eligible entities in Montana, to include entitlement cities.

Tapes of the public hearings and written comments are on file in the office of the Consolidated Plan Coordinator, Montana Department of Commerce, 836 Front Street, Helena, MT.

In addition to formal notification and advertising for public comment, numerous opportunities are provided throughout the year to solicit public comment and citizen participation regarding the three programs. Following is a short summary of some of these meetings and events.

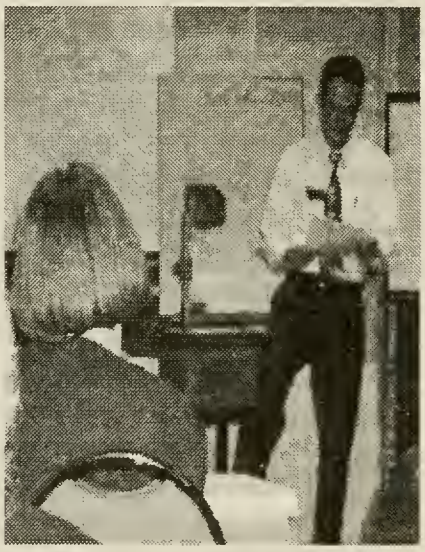
> ➤ In the Spring of 1998, Application workshops for the Community Development Block Grant Program and the HOME Investment Partnerships Program were held at three locations (Libby, Lewistown and Miles City). The Montana Board of Housing, and Rural Development also presented information on their programs at these workshops. In conjunction with the workshops, training relating to underwriting and financial packaging was provided.
>
> ➤ Local Government Assistance Division personnel attended the Montana Rural Water Conference held in Great Falls in February, 1998.
>
> ➤ The CDBG program annually distributes Application Guidelines for public comment and holds a formal hearing to receive public comment on the adoption of revised guidelines.

➤ The Administration Workshop for HOME and CDBG programs in January and February, provided a forum to distribute the draft Action Plan and supporting documentation

➤ Housing Division and Local Government Assistance Division personnel participated in a booth display at the Montana League of Cities and Town Annual Conference in October, 1998 in West Yellowstone.

➤ HOME and CDBG programs regularly send out newsletters to active grantees informing them of current information and changes. Public comment is always welcome throughout the year.

Linda Hall Instructing at a Workshop



Dave Parker's Turn at a Workshop

Shelby Public Meeting

1,000 copies of this public document were published at an estimated cost of $2.50 per copy, for a total cost of $2,500.00, which includes $2,500.00 for printing and $.00 for distribution.

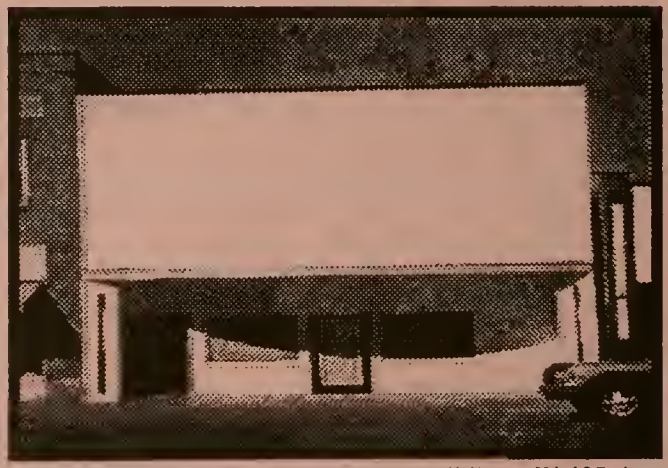
Little Rockies Senior Center - Harlem

Tullamore Housing Division - Butte

Joseph Center - Missoula

Queen City Estates - Helena

Whitehall Water System Improvements - Whitehall



Hovey Building - Wolf Point